PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 15, 2019

The information contained in this Preliminary Official Statement is deemed by the County to be final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NEW ISSUE
NOT BANK QUALIFIED

S&P Rating: Requested

In the opinion of Kennedy & Graven, Chartered, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions (which excludes any pending legislation which may have a retroactive effect) and, assuming compliance with certain covenants, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and, to the same extent, is excluded from taxable net income of individuals, estates, or trusts for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. Such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding the other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "TAX EXEMPTION" herein.

$10,690,000*

Anoka County, Minnesota

General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A (the "Bonds")

(Book Entry Only)

Dated Date: Date of Delivery

Interest Due: Each February 1 and August 1, commencing August 1, 2020

The Bonds will mature February 1 in the years and amounts* as follows:

2021	$1,330,000	2023	$1,480,000	2025	$1,575,000	2027	$1,700,000
2022	$1,455,000	2024	$1,510,000	2026	$1,640,000		

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above.

The Bonds will not be subject to redemption in advance of their respective stated maturity dates.

The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds of the Bonds will be used to redeem (i) the February 1, 2021 through February 1, 2027 maturities of the County's General Obligation Bonds, Series 2011A, dated September 29, 2011, and (ii) the February 1, 2021 through February 1, 2027 maturities of the County's General Obligation Capital Improvement Plan Bonds, Series 2012A, dated February 23, 2012.

Proposals shall be for not less than $10,690,000 (Par) plus accrued interest, if any, on the total principal amount of the Bonds. Proposals shall specify rates in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated in the proposal must be 98.0% or greater. Following receipt of proposals, a good faith deposit will be required to be delivered to the County by the lowest bidder as described in the "Terms of Proposal" herein. Award of the Bonds will be made on the basis of True Interest Cost (TIC).

The County will not designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only, in the principal amount of $5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Bonds purchased. (See "Book Entry System" herein.) U.S. Bank National Association, Saint Paul, Minnesota will serve as registrar (the "Registrar") for the Bonds. The Bonds will be available for delivery at DTC on or about January 9, 2020.

PROPOSALS RECEIVED: Thursday, December 5, 2019 until 11:30 A.M., Central Time
CONSIDERATION OF AWARD: Board meeting commencing at 9:30 A.M., Central Time on Friday, December 6, 2019

bakertilly MUNICIPAL ADVISORS
now joined with Springsted and Umbaugh

Further information may be obtained from Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887 (651) 223-3000.

* *Preliminary; subject to change.*

ANOKA COUNTY, MINNESOTA

https://www.anokacountybonds.com/anoka-county-bond-investors-mn/bond-ratings/i668

BOARD OF COMMISSIONERS

Scott Schulte	Chair of the Board – District 7
Julie Braastad	Vice Chair of the Board – District 2
Matt Look	Commissioner – District 1
Robyn West	Commissioner – District 3
Mandy Meisner	Commissioner – District 4
Mike Gamache	Commissioner – District 5
Vacant	Commissioner – District 6

COUNTY ADMINISTRATOR

Rhonda Sivarajah

FINANCE AND CENTRAL SERVICES DIVISION MANAGER

Cory Kampf

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

BOND COUNSEL

Kennedy & Graven, Chartered
Minneapolis, Minnesota

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the County from time to time, may be treated as a Preliminary Official Statement with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the County.

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the County agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded copies of the Final Official Statement in the amount specified in the Terms of Proposal.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the County and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE PRELIMINARY OFFICIAL STATEMENT NOR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE RESPECTIVE DATE THEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

Any CUSIP numbers for the Bonds included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Bonds are assigned by an organization unaffiliated with the County. The County is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Bonds or as set forth in the Final Official Statement. No assurance can be given by the County that the CUSIP numbers for the Bonds will remain the same after the delivery of the Final Official Statement or the date of issuance and delivery of the Bonds.

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THE COUNTY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

$10,690,000*

ANOKA COUNTY, MINNESOTA

GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN REFUNDING BONDS, SERIES 2020A

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Bonds") will be received by Anoka County, Minnesota (the "County") on Thursday, December 5, 2019, (the "Sale Date") until 11:30 A.M., Central Time at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by the County Board at its meeting commencing at 9:30 A.M., Central Time, of the following day, Friday, December 6, 2019.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder to reach Baker Tilly MA prior to the time of sale specified above. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the County to purchase the Bonds regardless of the manner in which the proposal is submitted.

(a) ***Sealed Bidding.*** Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Baker Tilly MA. Signed proposals, without final price or coupons, may be submitted to Baker Tilly MA prior to the time of sale. The bidder shall be responsible for submitting to Baker Tilly MA the final proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted proposal.

OR

(b) ***Electronic Bidding.*** Notice is hereby given that electronic proposals will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal*. Neither the County, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the County, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The County is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY® is not an agent of the County.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

> PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
> Customer Support: (212) 849-5000

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* *Preliminary; subject to change.*

DETAILS OF THE BONDS

The Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2020. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature February 1 in the years and amounts* as follows:

2021	$1,330,000	2023	$1,480,000	2025	$1,575,000	2027	$1,700,000
2022	$1,455,000	2024	$1,510,000	2026	$1,640,000		

* *The County reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity or maturities in multiples of $5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per $1,000 of Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the County for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

REGISTRAR

The County will name the registrar which shall be subject to applicable regulations of the Securities and Exchange Commission. The County will pay for the services of the registrar.

OPTIONAL REDEMPTION

The Bonds will not be subject to redemption in advance of their respective stated maturity dates.

SECURITY AND PURPOSE

The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds of the Bonds will be used to redeem (i) the February 1, 2021 through February 1, 2027 maturities of the County's General Obligation Bonds, Series 2011A, dated September 29, 2011, and (ii) the February 1, 2021 through February 1, 2027 maturities of the County's General Obligation Capital Improvement Plan Bonds, Series 2012A, dated February 23, 2012.

BIDDING PARAMETERS

Proposals shall be for not less than $10,690,000 (Par) plus accrued interest, if any, on the total principal amount of the Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the County scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the County with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the County in establishing the issue price of the Bonds and shall complete, execute, and deliver to the County prior to the closing date, a written certification in a form acceptable to the Purchaser, the County, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity):: (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the County pursuant hereto may be taken or received on behalf of the County by Baker Tilly MA.

The County intends that the sale of the Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the County shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the County reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- (iv) the County anticipates awarding the sale of the Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all of the requirements of a "competitive sale" are not satisfied, the County shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the County and Baker Tilly MA if 10% of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The County will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The County will not require the Purchaser to comply with that portion of the Regulation commonly described as the "hold-the-offering-price" requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the County will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the County and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the County and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit to the County in the amount of $106,900 (the "Deposit") no later than 3:00 P.M., Central Time on the Sale Date. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier's check payable to the County; or (ii) a wire transfer. The Purchaser shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer. Neither the County nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the County may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

Certified or Cashier's Check. A Deposit made by certified or cashier's check will be considered timely delivered to the County if it is made payable to the County and delivered to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 by the time specified above.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the County upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the County and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the County.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the County. The County's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The County will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the County determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The County has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The County specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the County. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the County) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

CUSIP NUMBERS

If the Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about January 9, 2020, the Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the County or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the County, or its agents, the Purchaser shall be liable to the County for any loss suffered by the County by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the resolution awarding sale of the Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

OFFICIAL STATEMENT

The County has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds, and said Preliminary Official Statement has been deemed final by the County as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the County, Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Bonds, together with any other information required by law. By awarding the Bonds to the Purchaser, the County agrees that, no more than seven business days after the date of such award, it shall provide without cost to the Purchaser up to 25 copies of the Final Official Statement. The County designates the Purchaser as its agent for purposes of distributing copies of the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the County, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated October 22, 2019 BY ORDER OF THE COUNTY BOARD

/s/ Rhonda Sivarajah
County Administrator

OFFICIAL STATEMENT

$10,690,000*

ANOKA COUNTY, MINNESOTA

GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN REFUNDING BONDS, SERIES 2020A

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Official Statement contains certain information relating to Anoka County, Minnesota (the "County") and its issuance of $10,690,000* General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A (the "Bonds"). The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes.

Inquiries may be directed to Mr. Cory Kampf, Finance and Central Services Division Manager, Anoka County, 2100 Third Avenue, Suite 300, Anoka, Minnesota 55303-5029, by telephoning (763) 324-1751, or by e-mailing cory.kampf@co.anoka.mn.us. Inquiries may also be made to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887, by telephoning (651) 223-3000, or by e-mailing bond_services@bakertilly.com.

CONCURRENT FINANCING

As of the date of this Official Statement, the Anoka County Housing and Redevelopment Authority (the "Authority"), while not the issuer of the Bonds described herein, by means of separate Official Statement dated October 24, 2019, sold its $8,290,000 Housing and Development Revenue Refunding Bonds, Series 2019A (Anoka County, Minnesota General Obligation), to be dated December 4, 2019 (the "HRA Bonds"). Settlement of the Authority's HRA Bonds is expected to take place on December 4, 2019. The HRA Bonds are ultimately backed by the general obligation pledge of the County.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to the resolution awarding sale of the Bonds (the "Resolution"), the County has covenanted to comply with the continuing disclosure undertaking (the "Undertaking") for the benefit of holders or beneficial owners of the Bonds to provide certain financial information and operating data relating to the County to the Municipal Securities Rulemaking Board annually, and to provide notices of the occurrence of certain events enumerated in the Rule to the Municipal Securities Rulemaking Board and to any state information depository. The specific nature of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, is set forth in the Undertaking in substantially the form attached hereto as Appendix II, subject to such modifications thereof or additions thereto as: (i) consistent with requirements under the Rule, (ii) required by the purchaser of the Bonds from the County, and (iii) acceptable to the Chair and the County Administrator of the County.

* *Preliminary; subject to change.*

The County believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule, except to the extent the following are deemed to be material. In reviewing its past disclosure practices, the County notes the following:

- Prior continuing disclosure undertakings entered into by the County included language stating that the County's audited financial statements would be filed "as soon as available." Although not always filed "as soon as available," the audited financial statements were filed within the required twelve (12) month timeframe as required in each undertaking.

A failure by the County to comply with the Undertaking will not constitute an event of default on the Bonds (although holders may take such actions as may be necessary and appropriate including mandamus or specific performance by court order). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE BONDS

General Description

The Bonds are dated as of the date of delivery and will mature annually on February 1 as set forth on the front cover of this Official Statement. The Bonds are issued in book entry form. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2020. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Bonds will be paid as described in the section herein entitled "Book Entry System." U.S. Bank National Association, Saint Paul, Minnesota will serve as Registrar for the Bonds, and the County will pay for registrar services.

Redemption Provisions

<u>Optional Redemption</u>

The Bonds will not be subject to redemption in advance of their respective stated maturity dates.

Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to County or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, as amended. The Bonds have been structured as a current refunding, and are being issued to achieve debt service savings. The proceeds of the Bonds will be used to redeem:

(i) the February 1, 2021 through February 1, 2027 maturities (the "Series 2011A Refunded Maturities") of the County's General Obligation Bonds, Series 2011A, dated September 29, 2011, and

(ii) the February 1, 2021 through February 1, 2027 maturities (the "Series 2012A Refunded Maturities") of the County's General Obligation Capital Improvement Plan Bonds, Series 2012A, dated February 23, 2012.

It is anticipated that the Refunded Maturities (as defined below) will be called and prepaid at a price of par plus accrued interest on February 12, 2020, which is within 90 days of settlement of the Bonds.

The Series 2011A Refunded Maturities and the Series 2012A Refunded Maturities are collectively referred to as the "Refunded Maturities."

SOURCES AND USES OF FUNDS

The composition of the Bonds is estimated to be as follows:

Sources of Funds:	
Principal Amount	$10,690,000
Reoffering Premium	1,049,298
Total Sources of Funds	$11,739,298
Uses of Funds:	
Deposit for Refunding Purposes	$11,593,808
Estimated Underwriter's Compensation	80,175
Costs of Issuance	65,315
Total Uses of Funds	$11,739,298

SECURITY AND FINANCING

The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The County made its first levy for the Bonds in 2019 for collection in 2020. Each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

Minnesota Statutes, Section 373.40, as amended, limits the maximum amount of principal and interest to become due in any year on all outstanding capital improvement plan bonds to not more than 0.12% of the estimated market value of property in the County for taxes payable in the year in which the bonds are issued or sold. The statutory maximum allowable for annual debt service on the County's capital improvement plan bonds is $41,456,912, based on the County's 2018/19 estimated market value of $34,547,426,500. The maximum annual debt service for the County's outstanding capital improvement plan bonds, including an estimate for the Bonds, and excluding the Refunded Maturities, is approximately $8,746,516, which is within the statutory limit.

FUTURE FINANCING

With the exception of the Authority's HRA Bonds discussed in the "CONCURRENT FINANCING" section herein, the County does not anticipate issuing any additional long-term general obligation debt within the next 90 days.

LITIGATION

The County is not aware of any threatened or pending litigation affecting the validity of the Bonds or the County's ability to meet its financial obligations.

LEGALITY

The Bonds are subject to approval as to certain matters by Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. A legal opinion in substantially the form set out in Appendix I herein will be delivered at closing.

TAX EXEMPTION

In the opinion of Kennedy & Graven, Chartered, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions (which excludes any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants set forth in the Resolution, the interest on the Bonds is excluded from gross income for federal income tax purposes and, to the same extent, from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. Such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income.

Noncompliance following the issuance of the Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") and covenants of the Resolution may result in the inclusion of interest on the Bonds in gross income of the owners thereof for federal income tax purposes and in net taxable income of individuals, estates, and trusts for Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year. For purposes hereof, the applicable percentage is 5.25% divided by the highest rate in effect under Section 11(b) of the Code.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or Minnesota income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Original Issue Premium

Certain maturities of the Bonds (the "Premium Bonds") may be sold to the public at an amount in excess of their stated redemption price at maturity. Such excess of the purchase price of the Bonds over its stated redemption price at maturity constitutes a premium with respect to such Premium Bonds. A purchaser of a Premium Bond must amortize the premium over the term of the Premium Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the basis in the Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or other disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of Premium Bonds, whether at the time of initial issuance or subsequent thereto, should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.

Original Issue Discount

Certain maturities of the Bonds (the "Discount Bonds") may be sold at a discount from the principal amount payable on such Discount Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the "Issue Price") and the principal amount payable at maturity constitutes "original issue discount" under the Code. The amount of original issue discount that accrues to a holder of a Discount Bond under section 1288 of the Code is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Bond under section 1288 is added to the owner's federal tax basis in determining gain or loss upon disposition of such Discount Bond (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under section 1288 pursuant to a constant yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Bonds, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

If a Discount Bond is purchased at a price that exceeds the sum of the Issue Price plus accrued interest and accrued original issue discount, the amount of original issue discount that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of such Bond.

No opinion is expressed as to state and local income tax treatment of original issue discount. It is possible under certain state and local income tax laws that original issue discount on a Discount Bond may be taxable in the year of accrual, and may be deemed to accrue differently than under federal law.

Holders of Discount Bonds should consult their tax advisors with respect to the computation and accrual of original issue discount for federal income tax purposes and with respect to the state and local tax consequences of owning such Discount Bonds.

NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

The County will not designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

RATING

Application for a rating of the Bonds has been made to S&P Global Ratings ("S&P"), 55 Water Street, New York, New York. If a rating is assigned, it will reflect only the opinion of S&P. Any explanation of the significance of the rating may be obtained only from S&P.

There is no assurance that a rating, if assigned, will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The County has retained Baker Tilly Municipal Advisors, LLC, of Saint Paul, Minnesota as municipal advisor in connection with certain aspects of the issuance of the Bonds. In preparing this Official Statement, Baker Tilly Municipal Advisors, LLC has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for this Official Statement. Baker Tilly Municipal Advisors, LLC has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. Baker Tilly Municipal Advisors, LLC is an independent advisory firm, registered as a municipal advisor, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CERTIFICATION

The County has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The Purchaser will be furnished with a certificate signed by the appropriate officers of the County stating that the County examined each document and that, as of the respective date of each and the date of such certificate, each document did not and does not contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

COUNTY PROPERTY VALUES

Trend of Values[(a)]

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio[(b)]	Economic Market Value[(c)]	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2018/19	$34,547,426,500	92.8%	$37,207,021,465	$1,507,716,002	$33,686,968,630	$395,512,424
2017/18	32,030,143,600	93.3	34,330,886,742	1,625,301,131	30,098,714,813	366,666,711
2016/17	29,464,250,000	92.3	31,869,303,350	1,759,500,322	27,414,116,939	338,381,787
2015/16	27,762,109,400	92.4	30,013,348,152	1,812,416,079	25,685,050,471	316,505,881
2014/15	26,788,899,100	94.5	28,315,044,012	1,845,082,160	24,689,831,722	304,499,149

(a) *For a description of the Minnesota property tax system, see Appendix III.*

(b) *Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, https://www.revenue.state.mn.us/economic-market-values.*

(c) *Economic market values for the year of assessment as posted by the Minnesota Department of Revenue, https://www.revenue.state.mn.us/economic-market-values.*

Source: Anoka County, Minnesota, October 2019, except as otherwise noted.

2018/19 Adjusted Taxable Net Tax Capacity: $395,512,424*

Real Estate:		
Residential Homestead	$233,144,057	62.1%
Commercial/Industrial, Railroad, and Public Utility	86,763,698	23.1
Residential Non-Homestead	45,595,118	12.1
Agricultural	2,957,884	0.8
Seasonal Recreational	316,220	0.1
Personal Property	6,676,738	1.8
2018/19 Net Tax Capacity	$375,453,715	100.0%
Less: Captured Tax Increment	(8,004,557)	
Contribution to Fiscal Disparities	(32,706,046)	
Local Tax Rate Value	$334,743,112	
Plus: Distribution from Fiscal Disparities	60,769,312	
2018/19 Adjusted Taxable Net Tax Capacity	$395,512,424	

* *Excludes mobile home valuation of $689,375.*

Ten of the Largest Taxpayers in the County

Taxpayer	Type of Property	2018/19 Net Tax Capacity
Medtronic Inc.	Medical Device Services	$ 2,535,870
Minnegasco Inc.	Gas Utility	2,415,263
Coon Rapids Riverdale Village	Retail	2,158,825
Connexus Energy	Electric Utility	1,846,546
Xcel Energy	Electric Utility	1,699,486
Target Corporation	Retail	1,614,388
BNSF Railroad	Railroad Transportation	1,177,600
Glimcher Northtown Venture	Shopping Center	1,129,754
Menards Inc.	Home Improvement	748,987
Allina Health System	Health Care	747,987
Total		$16,074,706*

* *Represents 4.1% of the County's 2018/19 adjusted taxable net tax capacity of $395,512,424.*

COUNTY INDEBTEDNESS

Legal Debt Limit and Debt Margin*

Legal Debt Limit (3% of 2018/19 Estimated Market Value)	$1,036,422,795
Less: Outstanding Debt Subject to Limit (Including the Bonds and excluding the Refunded Maturities)	(67,485,000)
Legal Debt Margin as of January 9, 2020	$ 968,937,795

* *The legal debt margin is referred to statutorily as the "Net Debt Limit" and may be increased by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.*

NOTES: Certain types of debt are not subject to the legal debt limit. See Appendix III – Debt Limitations.

General Obligation Debt Supported Solely by Taxes[(a)]

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 1-9-20
7-17-08	$ 1,395,000	Airport Improvements (AMT)	2-1-2023	$ 385,000
9-22-09	20,000,000	Taxable OPEB	2-1-2021	4,365,000[(b)]
12-9-09	1,485,000	Refunding – Aquatic Center	2-1-2023	560,000
7-14-10	3,240,000	Capital Improvements	2-1-2020	185,000
7-14-10	790,000	Library	2-1-2020	85,000
9-29-11	8,180,000	Capital Improvements	2-1-2020	540,000[(c)]
2-23-12	13,880,000	Capital Improvements	2-1-2020	900,000[(d)]
2-5-13	10,615,000	Airport Refunding	2-1-2029	7,990,000
2-5-13	7,835,000	Capital Improvements Refunding	2-1-2022	3,090,000
2-5-13	1,695,000	Library Refunding	2-1-2022	685,000
3-24-15	2,750,000	Airport Refunding (AMT)	2-1-2033	2,485,000
3-24-15	8,040,000	Capital Improvements Refunding	2-1-2029	6,425,000
4-19-16	8,780,000	Capital Improvements	2-1-2033	8,290,000
4-27-17	15,890,000	Capital Improvements Refunding	2-1-2030	14,305,000
11-20-18	3,115,000	Library	2-1-2030	3,115,000
11-20-18	6,855,000	Capital Improvements Refunding	2-1-2024	6,855,000
1-9-20	10,690,000	Capital Improvement Refunding (the Bonds)	2-1-2027	10,690,000
Total				$70,950,000

[(a)] *These issues are subject to the legal debt limit, except where otherwise noted.*

[(b)] *This issue is not subject to the legal debt limit.*

[(c)] *Excludes the Series 2011A Refunded Maturities.*

[(d)] *Excludes the Series 2012A Refunded Maturities.*

General Obligation Revenue Debt[a]

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 1-9-20
10-27-11	$8,920,000	Housing Development Refunding	2-1-2020	$ 305,000[b]
12-27-12	5,230,000	Taxable Ice Arena Refunding	2-1-2023	2,170,000[b]
12-4-19	8,290,000	Housing Development Refunding (the HRA Bonds)	2-1-2036	8,290,000[b]
Total				$10,765,000

[a] *Excludes the maturities being refunded by the HRA Bonds.*

[b] *These bonds were issued by the Anoka County Housing and Redevelopment Authority (the "HRA") and are secured by the County's general obligation pledge.*

Lease Obligations

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 1-9-20
11-28-07	$2,705,000	Metropolitan Mosquito Control District	2-1-2023	$ 900,000[a][b]
7-22-10	1,930,000	ACCAP Refunding	6-1-2028	1,155,000[c]
12-27-12	5,655,000	Ice Arena Refunding	2-1-2026	3,255,000[d]
Total				$5,310,000

[a] *This issue is subject to the legal debt limit.*

[b] *These obligations financed the construction of an office building, a storage building, and related improvements to be subleased to the Metropolitan Mosquito Control District (the "District"). The debt service is paid from sublease payments made by the District to the County pursuant to a Joint Powers Agreement and a Sublease Agreement.*

[c] *These obligations were originally issued for the purpose of refinancing and improving various group homes within the County to be subleased to the ACCAP. The debt service is paid from annual appropriation lease payments by the County.*

[d] *These bonds were originally issued by the HRA for the purpose of financing a portion of the cost of designing and constructing a four-sheet ice facility and associated improvements located in the City of Blaine. The debt service is paid from sublease payments made by the National Sports Center Foundation that operates the ice arena, but is also secured by the County's general obligation pledge.*

Estimated Calendar Year Debt Service Payments Including the Bonds, the HRA Bonds, and Excluding the Refunded Maturities

	G.O. Debt Supported Solely by Taxes		G.O. Revenue Debt	
Year	Principal	Principal & Interest[(a)]	Principal	Principal & Interest[(b)]
2020 (at 1-9)	$10,430,000	$12,965,129	$ 830,000	$ 993,463
2021	10,740,000	12,812,619	950,000	1,294,906
2022	8,015,000	9,706,335	1,025,000	1,298,059
2023	7,510,000	8,883,169	1,065,000	1,305,041
2024	7,580,000	8,634,741	520,000	732,561
2025	4,815,000	5,617,226	515,000	706,761
2026	4,995,000	5,611,598	520,000	691,161
2027	5,180,000	5,606,951	645,000	795,361
2028	3,615,000	3,889,898	660,000	784,561
2029	3,355,000	3,527,129	505,000	603,161
2030	2,085,000	2,181,180	525,000	602,961
2031	855,000	911,672	535,000	602,461
2032	875,000	909,871	560,000	616,226
2033	900,000	911,840	575,000	618,906
2034			590,000	320,969
2035			365,000	382,694
2036			380,000	389,025
Total	$70,950,000[(c)]	$82,169,358	$10,765,000[(d)]	$13,038,277

	Lease Obligations	
Year	Principal	Principal & Interest
2020 (at 1-9)	$ 720,000	$ 869,222
2021	740,000	868,762
2022	765,000	872,382
2023	785,000	868,646
2024	555,000	618,240
2025	580,000	627,639
2026	860,000	888,463
2027	150,000	163,041
2028	155,000	159,394
Total	$5,310,000	$5,935,789

(a) *Includes the Bonds at an assumed average annual interest rate of 4.00%, and excludes the Refunded Maturities.*

(b) *Includes the HRA Bonds and excludes the maturities being refunded by the HRA Bonds.*

(c) *93.4% of this debt will be retired within ten years.*

(d) *67.2% of this debt will be retired within ten years.*

Other Debt Obligations

School District Lease Revenue Bonds

The County issued $5,495,000 School District Lease Revenue Refunding Bonds, Series 2010 (the "Series 2010 Bonds") on behalf of Anoka-Hennepin Independent School District No. 11, Minnesota (the "District") to refinance the acquisition and construction of a secondary technical education building near the existing Anoka-Hennepin Technical College. Principal of and interest on the Series 2010 Bonds are paid from lease payments made by the District pursuant to a Lease and Purchase Option Agreement between the County and the District. The County has assigned all its rights to the land and building to U.S. Bank National Association as Trustee, pursuant to the Amended and Restated Mortgage Trust Indenture. The Series 2010 Bonds are expected to mature on May 1, 2020.

Operating Leases

The County currently has 13 various operating leases, and the County made operating lease payments totaling $532,909 in 2018. The following is a schedule by years of future minimum rental payments required under these operating leases as of December 31, 2018:

Year Ending December 31	
2019	$ 498,903
2020	478,620
2021	411,119
2022	377,114
2023	273,297
2024-2028	1,104,931
2029-2030	48,876
Total	$3,192,860

Capital Leases

The County has a capital lease-to-purchase agreement for unified communication equipment at locations throughout the County. The financed a total of $3,536,845 at an effective interest rate of 0%. Annual liquidation of this capital lease liability is reported in the Capital Projects Fund. The following is a schedule of future minimum lease payments:

Year Ending December 31	
2019	$ 707,369
2020	707,369
2021	707,369
Total Payments	$2,122,107
Less Interest	(89,695)
Total	$2,032,412

Overlapping Debt

Taxing Unit[(a)]	2018/19 Adjusted Taxable Net Tax Capacity	Est. G.O. Debt As of 1-9-20[(b)]	Debt Applicable to Tax Capacity in County Percent	Amount
Anoka County Regional Railroad Authority	$ 395,512,424	$ 21,750,000	100.0%	$ 21,750,000
Cities:				
Andover	36,571,115	39,320,000	100.0	39,320,000
Anoka	19,278,855	9,445,000	100.0	9,445,000
Bethel	451,526	180,000	100.0	180,000
Blaine	79,526,016	33,895,000[(c)]	99.2	33,623,840
Centerville	4,637,499	4,279,000	100.0	4,279,000
Circle Pines	4,840,045	15,260,000	100.0	15,260,000
Columbia Heights	17,803,23	19,960,000	100.0	19,960,000
Columbus	6,205,145	10,889,000	100.0	10,889,000
Coon Rapids	68,146,754	39,725,000	100.0	39,725,000
East Bethel	12,728,284	800,000	100.0	800,000
Fridley	32,989,148	47,625,000	100.0	47,625,000
Ham Lake	20,889,985	1,417,534	100.0	1,417,534
Lexington	1,954,228	1,893,000	100.0	1,893,000
Lino Lakes	23,969,208	17,038,950	100.0	17,038,950
Nowthen	6,089,472	1,560,000	100.0	1,560,000
Ramsey	29,171,939	28,015,000	100.0	28,015,000
St. Francis	7,108,810	9,075,000	99.9	9,065,925
Spring Lake Park	6,894,513	3,450,000[(d)]	97.4	3,360,300
Towns:				
Linwood	6,101,206	183,000[(e)]	100.0	183,000
School Districts:				
ISD 11 (Anoka-Hennepin)	264,212,847	176,075,000	79.3	139,627,475
ISD 12 (Centennial)	38,536,228	100,251,668	100.0	100,251,668
ISD 13 (Columbia Heights)	24,553,696	25,053,058	100.0	25,053,058
ISD 14 (Fridley)	16,896,335	51,485,000	100.0	51,485,000
ISD 15 (St. Francis)	35,243,921	91,770,000	93.5	85,804,950
ISD 16 (Spring Lake Park)	44,818,673	115,330,000	100.0	11,533,000
ISD 624 (White Bear Lake)	90,511,287	77,560,000	3.0	2,326,800
ISD 728 (Elk River)	86,459,044	208,469,010	6.3	13,133,548
ISD 831 (Forest Lake)	62,678,598	157,830,000	31.9	50,347,770
Special Districts:				
Metropolitan Council	4,281,620,797	5,735,000[(f)]	9.2	527,620
Metropolitan Transit	3,433,535,041	262,085,000	11.5	30,139,775
Total				$815,621,213

(a) *Only those units with outstanding general obligation debt are shown here.*

(b) *Excludes general obligation tax and aid anticipation certificates and revenue-supported debt.*

(c) *Represents the total outstanding principal amount of debt issues for fire protection services issued by the City that are apportioned between the Cities of Blaine, Mounds View, and Spring Lake Park pursuant to a Joint Powers Agreement. The proportionate share for each City is adjusted annually. As of calendar year 2019, the proportionate shares for each City are 75.633%, 16.373%, and 7.994% for Blaine, Mounds View, and Spring Lake Park, respectively.*

(d) *Excludes the City of Spring Lake Park's proportionate share of outstanding general obligation debt for fire improvements, which was issued by the City of Blaine and are apportioned between the Cities of Blaine, Mounds View, and Spring Lake Park based on a Joint Powers Agreement. The proportionate share for each City is adjusted annually. As of calendar year 2019, the City of Spring Lake Park's share is 7.994% of the total debt service on the bonds.*

(e) *Debt as of December 31, 2018; most recent available.*

(f) *Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation.*

Debt Ratios*

	G.O. Direct Debt	G.O. Direct & Overlapping Debt
To 2018/19 Estimated Market Value ($34,547,426,500)	0.21%	2.57%
Per Capita - (357,851 - 2018 MN Demographer Estimate)	$201	$2,480

* *Includes the mosquito control lease obligation. Excludes general obligation debt supported by revenues, other debt obligations, and all other lease obligations.*

COUNTY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates

City of Coon Rapids

	2014/15	2015/16	2016/17	2017/18	2018/19
Anoka County	38.123%	38.894%	36.780%	35.334%	34.473%
City of Coon Rapids	44.754	44.908	44.164	42.368	41.232
ISD No. 11 (Anoka-Hennepin)[(a)]	22.482	20.885	18.604	18.392	16.330
Regional Rail Authority	0.941	0.851	0.801	0.738	0.685
Special Districts[(b)]	5.922	6.924	5.802	5.663	5.231
Total	112.222%	112.462%	106.151%	102.495%	97.951%

(a) *Independent School District No. 11 (Anoka-Hennepin) also has a 2018/19 tax rate of 0.06028% spread on the market value of property in support of an excess operating levy.*

(b) *Special Districts include Metropolitan Council, Metropolitan Transit District, Metropolitan Mosquito Control District, County/City Radio, Coon Rapids Housing and Redevelopment Authority, and Coon Creek Watershed District.*

Selected Totals for Other Cities

	2014/15	2015/16	2016/17	2017/18	2018/19
City of Anoka	110.283%	106.270%	101.633%	96.811%	91.938%
City of Blaine	102.241	101.708	96.709	94.449	91.161
City of Columbia Heights	147.957	150.477	139.172	138.685	140.627
City of Fridley	139.132	147.728	141.084	111.166	86.554

NOTE: Taxes are determined by multiplying the net tax capacity by the tax capacity rate, plus multiplying the referendum market value by the market value rate. This table does not include the market value based rates. See Appendix III.

Tax Levies and Collections

		Collected During Collection Year		Collected and/or Abated as of 6-17-19	
Levy/Collect	Net Levy*	Amount	Percent	Amount	Percent
2018/19	$138,206,416	(In Process of Collection)			
2017/18	131,775,645	$130,869,246	99.3%	$131,479,030	99.8%
2016/17	126,892,382	125,768,260	99.1	126,754,036	99.9
2015/16	123,828,941	122,790,424	99.2	123,738,894	99.9
2014/15	119,352,875	118,219,255	99.1	119,284,421	99.9

* *The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix III.*

FUNDS ON HAND
As of August 31, 2019

Funds	Cash and Investments
General	$ 55,277,688
Special Revenue	103,841,564 *(a)*
Debt Service	12,379,928 *(a)*
Capital Projects	63,137,225
Proprietary	(1,564,352) *(b)*
Trust and Agency	9,605,819
Irrevocable OPEB Trust	71,621,204
Total	$314,299,076

(a) *These funds contain a total of $2,683,342 in escrowed accounts.*

(b) *Due to the timing of payments received throughout the year. The Proprietary fund will be made whole prior to the end of 2019.*

INVESTMENTS

The County's current investment policy was adopted by the County Board on January 24, 2017 replacing the one from December 1992. County investments are made in accordance with Minnesota Statutes, Section 118A, and in a manner that seeks to ensure in order of priority, the preservation of capital, maintenance of liquidity, and maximization of yield. The responsibility for conducting investment transactions involving public funds of the County resides with the Finance and Central Services Division. The Finance & Central Services Division Manager is designated as investment officer and is responsible for investment decisions and activities, under the oversight of the Investment Review Committee that was formed per the January 24, 2017 Investment Policy. Investments as of August 31, 2019 had a market value of $322,346,813.

The investment portfolio is invested as follows:

	Market Value As of 8-31-19	Percent of Portfolio
Cash and Commercial Paper	$ 3,618,478	1.13%
U.S. Treasuries, Agencies, and Government Obligations	84,339,446	26.38
Municipal Bonds	84,064,644	26.30
Pooled Investments/Mutual Funds	60,566,334	18.95
Money Market Funds	3,230,688	1.01
Certificates of Deposit	12,388,054	3.88
Index Fund	71,455,827	22.35
Portfolio Total	$319,663,471	100.00%
Investments in Escrow	2,683,342	
Total County Investments	$322,346,813	100.00%

GENERAL INFORMATION CONCERNING THE COUNTY

The County was established on May 23, 1857 and is located in the northwestern portion of the Minneapolis/Saint Paul Metropolitan Area. The County encompasses an area of approximately 426.5 square miles (272,960 useable acres) and contains all or portions of 20 cities and one township.

Population

The County's population trend is shown below.

	Population	Percent Change
2018 MN State Demographer Estimate	357,851	8.2%
2010 U.S. Census	330,844	11.0
2000 U.S. Census	298,084	22.3
1990 U.S. Census	243,641	24.3
1980 U.S. Census	195,998	--

Sources: Minnesota State Demographic Center, mn.gov/admin/demography and United States Census Bureau, http://www.census.gov/.

The County's estimated population by age group for the past five years is as follows:

Data Year/ Report Year	0-17	18-34	35-64	65 and Over
2018/19	83,744	74,693	147,663	50,440
2017/18	82,415	73,622	145,742	47,715
2016/17	82,655	73,944	146,201	45,829
2015/16	83,351	73,995	146,370	43,716
2014/15	83,554	73,662	146,169	41,473

Sources: Environics Analytics, Claritas, Inc. and The Nielsen Company.

Transportation

Transportation is a priority in the County. Infrastructure such as railroads, airports, and freeways have a significant impact on economic growth. The County is served by three interstate highways: I-35W from downtown Minneapolis, I-35E from downtown Saint Paul, and I-694 connecting the north metro. Other highways serving the County are U.S. Highways 10, 169, and 610, and State Highways 65 and 47. U.S. Highway 10 provides a nonstop freeway from the City of Anoka to both downtown Minneapolis and Saint Paul. U.S. Highway 610, in conjunction with State Highway 252, links I-35W to I-94.

The Anoka County/Blaine Airport is located in the County. Rail service is provided by Burlington Northern Santa Fe Railroad.

Northstar, the state's first commuter rail line, became operational in November 2009. A service designed almost exclusively to take people to and from work, Northstar trains were on time 98.7%. Northstar carries passengers between the City of Big Lake in Sherburne County and downtown Minneapolis, with stops in the cities of Elk River, Ramsey, Anoka, Coon Rapids, and Fridley.

AREA ECONOMY

Major Employers

Employer	Product/Service	Approximate Number of Employees
Medtronic Corporation (Fridley and Columbia Heights)	Medical device services	4,064[(a)]
Independent School District No. 11 (Anoka-Hennepin)	Public education	7,310[(b)]
Mercy and Unity Hospital (Fridley and Coon Rapids)	Hospitals	3,112
Anoka County (Anoka)	County government	2,327
Northtown Mall (Fridley)	Shopping mall	1,500[(c)]
Target Corporation (six stores and one distribution center)	Retail	1,496[(b)]
Federal Premium Ammunition (Anoka)	Ammunition manufacturing	1,453
Pentair Technical Products (Anoka)	Electrical products	1,225[(e)]
Cummins Power Generation (Fridley)	Generator and diesel manufacturer	1,210
RMS Company (Coon Rapids)	Medical and aerospace components	950[(d)]
Parsons Electric Company (Fridley)	Electrical services	900[(f)]
Wal Mart (3 locations)	Retail	824[(b)]
Independent School District No. 15 (St. Francis)	Public education	832
Independent School District No. 16 (Spring Lake Park)	Public education	800
Cub Foods (6 locations)	Grocery store	780[(b)(e)]
Aveda Corporation (Blaine)	Health and beauty aids	700
BNSF Railroad (Fridley)	Railroad transportation	650
Mary T. Inc. (Coon Rapids)	Group home	650[(f)]
Anoka Metro Regional Treatment Center (Anoka)	Psychiatric hospital	630
BAE Systems (Fridley)	Pumps/naval ordnance	600
Honeywell Commercial Flight Systems (Coon Rapids)	Commercial aviation	600
Independent School District No. 13 (Columbia Heights)	Public education	520[(b)]
Minco Products, Inc. (Fridley)	Electronic devices	515
State of Minnesota Correctional Facility (Lino Lakes)	Medium security prison	467
Anoka Ramsey Community College (Coon Rapids)	Community college	390[(b)]
Best Buy (Blaine)	Electronics retail	157[(b)(e)]

(a) *Corporate-wide total is 49,000 for full- and part-time employees.*

(b) *Includes full- and part-time employees.*

(c) *Includes full-time employees only.*

(d) *Does not include temporary employees.*

(e) *Information as of February 2017; most recent information available.*

(f) *Information as of September 2018; most recent information available.*

Source: *This does not purport to be a comprehensive list and is based on an October 2019 best efforts telephone survey of individual employers. Some employers do not respond to inquiries.*

Labor Force Data

	Annual Average				September
	2015	2016	2017	2018	2019
Labor Force:					
Anoka County	189,817	192,442	195,304	196,586	199,431
Minneapolis-St. Paul MSA	1,916,011	1,938,642	1,979,780	2,016,208	2,030,308
State of Minnesota	2,997,748	3,033,406	3,057,014	3,070,223	3,122,656
Unemployment Rate:					
Anoka County	3.6%	3.7%	3.3%	2.8%	2.5%
Minneapolis-St. Paul MSA	3.5	3.6	3.3	2.7	2.4
State of Minnesota	3.7	3.9	3.4	2.9	2.5

Source: Minnesota Department of Employment and Economic Development, https://apps.deed.state.mn.us/lmi/laus. 2019 data are preliminary.

Retail Sales and Effective Buying Income (EBI)

Anoka County

Data Year/ Report Year	Total Retail Sales ($000)	Total EBI ($000)	Median Household EBI
2018/19	$5,776,881	$10,462,844	$66,814
2017/18	5,068,799	9,874,840	64,857
2016/17	4,857,535	9,421,969	62,169
2015/16	4,428,876	8,946,250	60,388
2014/15	4,175,734	8,685,587	58,438

The 2018/19 Median Household EBI for the State of Minnesota was $58,777. The 2018/19 Median Household EBI for the United States was $52,468.

Sources: Environics Analytics, Claritas, Inc. and The Nielsen Company.

Permits Issued in the County

	Total Permits*		New Single-Family Homes	
Fiscal Year	Number	Value	Units	Value
2019 (as of 9-30)	18,732	$424,672,743	506	$142,710,507
2018	25,199	842,361,623	726	217,257,471
2017	45,008	795,030,082	831	208,755,980
2016	14,484	661,441,684	1,000	204,595,608
2015	20,972	497,348,884	747	174,499,259
2014	15,885	467,656,577	560	165,241,838
2013	10,704	357,440,792	590	138,631,931
2012	10,256	310,043,395	551	139,005,750
2011	9,564	211,740,466	440	103,536,407
2010	9,501	222,135,454	444	97,775,780

* *In addition to building permits, the total value includes all other permits issued by the cities (i.e. heating, lighting, plumbing, roof replacement, etc.).*

Source: This does not purport to be a comprehensive list and is based on a October 2019 best efforts email survey of individual cities. Some cities do not respond to inquiries.

Local Economy

For more than 150 years, the County has taken great care to foster its abundance of economic, cultural, and natural resources. The County is home to well-recognized industry leaders such as Medtronic Corporation, Infinite Campus, Vista Outdoor Sporting (Federal Premium Ammunition), BAE Systems, Honeywell Commercial Flight Systems, Aveda Corporation, Onan Corporation, and Pentair Technical Products.

The County's emphasis on technology-based companies has resulted in new companies relocating to the area's business development centers. Two of these centers, the Minnesota Medical Enterprise Park in the City of Coon Rapids and the Development Center in the City of Columbia Heights, have focused on attracting developing medical and high technology companies to the County. Technology-based companies located in the County include SarTec, Infinite Campus, Parametric Technology, N.T. International, Dymedix, Comedicus, Visual Circuits, Bionenergey, Inc., and BioVest International.

The Medtronic facility, located adjacent to the County at the juncture of Highway 10 and I-35W, is Medtronic's largest campus encompassing 1.5 million square feet on 85 acres. The facility employs approximately 4,064 people and consolidates the Cardiac Rhythm Disease division.

Taking advantage of the favorable business climate in the County are several growing businesses located along the Highway 10 and Highway 65 corridors.

- RMS Company, located in the City of Coon Rapids specializing in the manufacture of technical components used in medical devices, as well as the aerospace industries, RMS currently employs 950 individuals making them the largest private employer in the City of Coon Rapids. Within two years RMS plans on adding 100 new jobs.

- One of the largest orthopedic practices in the country, Twin Cities Orthopedics, opened a three-level, 50,000 square foot medical office in the City of Blaine in late 2018.

- Northern Stacks of Fridley is in the process of redeveloping 1.6 million square feet of the property located along the East River Road in the City of Fridley into multiple office/industrial buildings. With flexible zoning to accommodate a wide variety of industrial uses, and close proximity to the region's major transportation networks, Northern Stacks is becoming recognized as one of the Twin Cities' premier business parks. Defense contractor BAE Systems will continue to occupy one of the buildings on site, in which they will house their highly-technical engineering divisions.

The National Sports Center in the City of Blaine is featured in the Guinness Book of World Records as the world's largest indoor hockey facility with eight indoor ice rinks, the Herb Brooks Training Facility/Hall of Fame, and a dry floor training facility for figure skating. Additionally, the Schwan's Super Rink has become the largest skating venue in the world. The National Sports Center is the home training center for the USA Women's Olympic Hockey team and hosts the world's largest youth soccer tournament, the Schwan's USA Cup. The National Sports Center completed construction of a convention and exhibition center providing the region with meeting and exhibition areas. The Center attracts more than four million visitors each year.

Financial Institutions

The following full service banks are located in the County*:

	Deposits As of 6-30-19
Village Bank (City of St. Francis)	$248,439,000
First Resource Bank (City of Lino Lakes)	150,996,000
Total	$399,435,000

In addition, branch offices of 21st Century Bank; Anchor Bank, National Association; Bank of the West; BMO Harris Bank National Association; Boundary Waters Bank; Central Bank; Community Pride Bank; Cortrust Bank National Association; Farmers & Merchants Savings Bank; First Minnesota Bank; Guaranty Bank; Landmark Community Bank, National Association; Northeast Bank; Peoples Bank of Commerce; Pine River State Bank; Premier Bank; TCF National Bank; The First National Bank of Elk River; U.S. Bank National Association; and Wells Fargo Bank, National Association are located throughout the County.

* *This does not purport to be a comprehensive list.*

Source: Federal Deposit Insurance Corporation, http://www.fdic.gov/.

Health Care Services

The following is a summary of health care facilities located in the County:

Facility	Location	No. of Beds	
Anoka Metro Regional Treatment Center	City of Anoka	29	Supervised Living
		175	Other Licensed
Anoka Rehab and Living Center	City of Anoka	120	Nursing Home
Anthony Louis Center	City of Blaine	22	Supervised Living
Bethesda Lutheran	City of Coon Rapids	23	Supervised Living
Camilia Rose Care Center LLC	City of Coon Rapids	80	Nursing Home
		29	Supervised Living
Crest View Lutheran Home	City of Columbia Heights	122	Nursing Home
Interlude Restorative Suites	City of Fridley	50	Nursing Home
Mercy Hospital	City of Coon Rapids	546	Hospital Beds
		27	Infant Bassinets
Park River Estates Care Center	City of Coon Rapids	99	Nursing Home
The Estates at Fridley LLC	City of Fridley	54	Nursing Home
The Estates at Twin Rivers LLC	City of Anoka	50	Nursing Home

Source: Minnesota Department of Health, http://www.health.state.mn.us/.

Education

Public Education

The following districts serve the residents of the County:

School	Location	Grades	2018/19* Enrollment
ISD No. 11 (Anoka-Hennepin)	City of Anoka	K-12	38,802
ISD No. 12 (Centennial)	City of Circle Pines	K-12	6,740
ISD No. 13 (Columbia Heights)	City of Columbia Heights	K-12	3,398
ISD No. 14 (Fridley)	City of Fridley	K-12	3,039
ISD No. 15 (St. Francis)	City of St. Francis	K-12	4,547
ISD No. 16 (Spring Lake Park)	City of Spring Lake Park	K-12	6,096
ISD No. 624 (White Bear Lake)	City of White Bear Lake	K-12	8,860
ISD No. 728 (Elk River)	City of Elk River	K-12	13,670
ISD No. 831 (Forest Lake)	City of Forest Lake	K-12	6,148

* *2019/20 enrollment figures are not yet available.*

Source: Minnesota Department of Education, www.education.state.mn.us.

Non-Public Education

County residents are also served by the following private schools:

School	Grades	2018/19* Enrollment
Totino Grace High School	9-12	697
Legacy Christian Academy	K-12	458
Al-Amal School	K-12	335
Epiphany Catholic School	K-8	332
St. Stephen	K-8	258
Avail Academy (Blaine Campus)	K-8	195
Woodcrest Baptist Academy	K-12	151
Immaculate Conception	K-8	137
St. Francis Christian	K-12	111
Cross of Christ Lutheran	K-8	110
Immaculate Heart of Mary Academy	K-12	91
Northside Christian (Blaine Campus)	K-12	76
Crown Christian School	K-8	56
Avail Academy (Fridley Campus)	9-12	55
Trinity Lutheran	K-8	51
Al-Israa Academy	K-3	36
Coon Rapids Christian	K-12	20
Grace Lutheran	K-8	19
Montessori Renaissance School	K-6	18
Anoka Adventist Christian	1-8	12
Little Voyageur's Montessori	K	5

* *2019/20 enrollment figures are not yet available.*

Source: Minnesota Department of Education, www.education.state.mn.us.

Post-Secondary Education

Post-secondary educational opportunities are available within the County at Anoka-Ramsey Community College, Anoka-Hennepin Technical College, the Anoka County branch of the University of Minnesota Extension Service, and NEI College of Technology.

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

The County is governed by a seven-member Board of Commissioners (the "County Board"), all of whom are elected by district to overlapping four-year terms of office. The current County Board consists of the following individuals:

		Expiration of Term
Scott Schulte	Chair of the Board – District 7	January 2023
Julie Braastad	Vice Chair of the Board – District 2	January 2021
Matt Look	Commissioner – District 1	January 2021
Robyn West	Commissioner – District 3	January 2021
Mandy Meisner	Commissioner – District 4	January 2023
Mike Gamache	Commissioner – District 5	January 2023
Vacant	Commissioner – District 6	January 2021

Ms. Rhonda Sivarajah was appointed as the County Administrator on May 14, 2019. Responsibilities include managing the County budget, assisting the County Board to ensure the effectiveness of all County services, and providing county board agendas and minutes. Ms. Sivarajah has more than 25 years' experience in public service as a County staff member, and then as the Commissioner for District 6. Ms. Sivarajah was first elected to the board in 2003 and served as the Chair of the Board from 2011 until May 2019. Prior to serving as Commissioner for District 6, Ms. Sivarajah was an income maintenance supervisor and financial assistance specialist at the County for more than 12 years.

Mr. Cory Kampf has been the County's Chief Financial Officer and Finance & Central Services Division Manager since October 13, 2014. Under the direction of the County Administrator and the County Board, the Finance & Central Services Division Manager directs and administers the financial, purchasing, and risk management affairs of the County. Responsibilities include cash management, investments, debt management, preparation of the County's operating and capital improvement budgets, procurement, management of county-wide insurance program, county-wide financial reporting systems, and preparation of the County's comprehensive annual financial report. Mr. Kampf serves on the Treasury and Investment Management Committee with the Government Finance Officers Association of the United States and Canada, and is a past president of the Minnesota Government Finance Officers Association. Mr. Kampf holds a Bachelor's degree in Accounting with a minor in Computer Science from Bemidji State University and is a Certified Public Accountant (inactive). Mr. Kampf's experience includes 30 years in public sector finance working for state and local governments. Prior to joining the County, Mr. Kampf served as the Director of Finance for the City of Brooklyn Park, Minnesota from May 2007 until October 2014.

Services

The County's functions and employees are divided among five divisions and several departments. Two of the statutory offices, Attorney and Sheriff, are managed by department heads who are elected to office. The division managers and remaining department heads are appointed by the County Board.

The County provides a full range of services contemplated by statute, including public safety, recreation, public works, health services, legal, cultural, human services, vital statistics, and tax assessment and collection.

The development of creative partnerships has been a key component of the County's success. The Anoka County Sheriff's Office and the Midwest Regional Forensic Laboratory consolidates the majority of the Sheriff's Office operations, allowing officers to respond to emergencies more quickly and resulting in communication that is more efficient and streamlined. The state-of-the-art forensic laboratory was made possible by a joint powers agreement between Anoka, Wright, and Sherburne counties. The facility also features a unique agreement with Hamline University in the Saint Paul to offer practical experience and internships to students studying forensic science.

The Anoka County Midwest Medical Examiner's Office is another example of how the County achieves results with innovative cooperative initiatives. The facility serves and shares costs with twenty-two Minnesota counties and three Wisconsin counties. The Anoka County Midwest Medical Examiner's Office incorporates the latest scientific death investigation methods and tools while compassionately helping families and survivors learn the circumstances surrounding the death of their loved one.

The County, through an agreement with the Metropolitan Airports Commission (MAC), has made over $16 million of improvements at the Anoka County (Janes Field) Airport located in the City of Blaine. Under the Agreement, MAC turned over control of the Northwest Quadrant of the airport to the County in exchange for the improvements. The County has sub-leased the site to a private development group, the Anoka Airport LLC. Anoka Airport LLC has partnered with LYNX FBO Anoka, LLC, a large private equity firm, which owns and manages aircraft fleets. The Northwest Quadrant has a first class fixed-based operation (FBO), hangars for corporate and private jets, and ramp space for jet parking. The County receives lease payments for hangars and ramp space from the facility's management organization, LYNX FBO Anoka, LLC, and its tenants.

Labor Contracts

The status of labor contracts in the County is as follows:

Union	Number of Employees	Employees Represented	Contract Expiration Date
Local No. 49 International Union of Operating Engineers	75	Highway and Park Maintenance	12/31/2020
Law Enforcement Labor Services (LELS)	47	Corrections – Work Release Officers' Unit	12/31/2019
	85	Sheriff's Department – Licensed Officers	12/31/2020
	11	Sheriff's Department – Detention Sergeants/Lieutenants	12/31/2020
	77	Sheriff's Department – Detention Deputies/Corporals	12/31/2020
	13	Sheriff's Department – Sergeants	12/31/2020
	24	Sheriff's Department – Investigators	12/31/2020
	9	Sheriff's Department – Licensed Commanders And Lieutenants	12/31/2020
	41	Central Communications – 911 Dispatchers and Lead Dispatchers	12/31/2019
American Federation of State, County, and Municipal Employees (AFSCME)	50	Probation Officers – Juvenile Institutions	12/31/2020
Subtotal	432		
Non-unionized employees	1,895		
Total employees	2,327		

NOTE: The Probation Officers – Juvenile Institutions are a newly organized group who are working on the initial collective bargaining agreement.

Employee Pensions

All full-time and certain part-time employees of the County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF), and the Local Government Correctional Service Retirement Fund (the Public Employees Correctional Fund or PECF), which are cost-sharing, multiple-employer retirement plans.

GERF members either belong to the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan and benefits vest after five years of credited service. All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the PEPFF. All correctional guards or officers, joint jailers/dispatchers, or supervisors of correctional guards or officers or joint jailers/dispatchers that are directly responsible for the direct security, custody, and control of the County correctional institution and its inmates are covered by PECF. PERA also provides retirement benefits as well as disability benefits to members, and their survivors upon death of eligible members. Benefits are established by Minnesota Statutes and are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Minnesota Statutes set the rates for employer and employee contributions, and the County makes annual contributions to the pension plans equal to the amount required by Minnesota Statutes. As of December 31, 2018, GERF Basic and Coordinated Plan members were required to contribute 6.50% and 6.50%, respectively, of their annual covered salaries; PEPFF members were required to contribute 10.80% of their annual covered salaries; PECF members were required to contribute 5.83% of their annual covered salaries.

The County was required to contribute the following percentages of annual covered payroll for 2015, 2016, 2017, and 2018:

	2015	2016	2017	2018
Public Employees Retirement Fund (GERF):				
Basic Plan members	11.78%	11.78%	11.78%	0.00%
Coordinated Plan members	7.25	7.25	7.50	7.50
Public Employees Police and Fire Fund (PEPFF)	15.30	15.30	16.20	16.20
Public Employees Correctional Fund (PECP)	8.75	8.75	8.75	8.75

The County's contributions to GERF, PEPFF, and PECP are equal to the contractually required contributions for each year as set by State Statute, and are as follows for the past five years:

	GERF	PEPFF	PECP
2018	$7,175,595	$1,943,880	$1,059,473
2017	6,975,975	1,851,342	1,039,660
2016	6,772,116	1,739,500	982,247
2015	6,781,097	1,758,815	1,010,709
2014	6,629,745	1,609,505	966,370

As of December 31, 2018, nine employees were covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer, deferred compensation plan administered by PERA. The PEDCP is a tax-qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until the time of withdrawal. Plan benefits depend solely on the amounts contributed to the plan, plus investment earnings, less administrative expenses. An eligible elected official participating in this plan contributes 5% of their salary, which is matched by the employer. Employees may elect to make member contributions in an amount not to exceed the employer share. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. The combined employee and employer contributions to PEDCP for the past five years are as follows:

	PEDCP
2018	$26,391
2017	31,160
2016	35,453
2015	33,677
2014	32,692

For more information regarding the liability of the County with respect to its employees, please reference "Note 3E, Employee Retirement Systems and Pension Plans" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2018, an excerpt of which is included as Appendix IV of this Official Statement.

GASB 68

The Government Accounting Standards Board (GASB) has issued Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment to GASB 68, which revised existing standards for measuring and reporting pension liabilities for pension plans provided to County employees and require recognition of a liability equal to the County's proportionate share of net pension liability, which is measured as the total pension liability less the amount of the pension plan's fiduciary net position.

The County's proportionate shares of the pension costs and the County's net pension liability for GERF, PEPFF, and PECP for the past four years are as follows:

	GERF		PEPFF	
	Proportionate Share of Pension Costs	Net Pension Liability	Proportionate Share of Pension Costs	Net Pension Liability
2018	1.412%	$ 78,306,945	1.087%	$11,582,037
2017	1.470	93,850,500	1.141	15,404,858
2016	1.426	115,819,626	1.077	43,221,884
2015	1.470	76,199,920	1.131	12,850,807

	PECF	
	Proportionate Share of Pension Costs	Net Pension Liability
2018	5.818%	$ 623,553
2017	6.070	17,299,561
2016	5.850	21,370,869
2015	6.050	935,330

For more information regarding the liability of the County with respect to its employees, please reference "Note 3E, Employee Retirement Systems and Pension Plans" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2018, an excerpt of which is included as Appendix IV of this Official Statement.

Additional and detailed information about GERF's net position is available in a separately-issued PERA financial report, which may be obtained at www.mnpera.org; by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling 1-800-652-9026.

Sources: County's Comprehensive Annual Financial Reports.

Other Post-Employment Benefits

The Government Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75), establishing new accounting and financial reporting requirements related to post-employment healthcare and other non-pension benefits (referred to as Other Post Employment Benefits or "OPEB"). The implementation of GASB 75 required the restatement of the County's beginning net position for the fiscal year ended December 31, 2017. Please see "Note 2D1, Change in Accounting Principles" in the County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017 for this calculation.

The County provides postemployment health care and life insurance benefits (OPEB) for eligible retired employees, spouses and dependents through a single employer defined benefit plan. The benefits, benefits level, employee contribution and employer contribution are administered by the County Commissioners and can be amended by the County through its personnel, manual, and union contracts. The plan is accounted for as an irrevocable trust fund.

The County provides a contribution towards the premium for health insurance for retired County employees who are benefit eligible and have been employed by the County for a minimum of ten (10) years. All medical health care benefits are provided through the County's health insurance provider and are the same as those afforded to active employees. Benefits include medical services and prescriptions. The rate of the contribution provided by the County is based on the length of service the employee has with the County. A $2,000 group-term life insurance coverage is provided for the retiree and is fully paid for by the County. The following employees were covered by the benefit terms as of December 31, 2015:

Inactive employees/beneficiaries currently receiving benefit payments	863
Inactive employees entitled to but not yet receiving benefit payments	66
Active employees	1,714
Total	2,643

The County established both an OPEB revocable trust and an irrevocable trust to prefund a portion of the OPEB liability. The County closed the revocable trust in December 2016. PERA serves as the trust administrator to both of the trust accounts. Contributions to the plan are recognized when due and the County has made a commitment to provide the contributions.

The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. All eligible retirees with less than ten (10) years of service contribute 100% of the premium to the plan. For retirees with 10 to 15 years of the service, the County contributes 50% of the single contribution made for active employees plus $2.65 per month towards family coverage for each year of service of the retiree. For retirees with more than 16 years of service, the County contributes 100% of the single contribution made for active employees plus a graduated dollar amount toward family coverage based on the retiree's years of service. For fiscal year ended December 31, 2018, the County contributed $3,734,995 and the retirees contributed $1,351,796 toward the cost of their healthcare coverage.

The County's OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2015. The discount rate used to measure the total OPEB liability was 7.0%. Components of the County's OPEB liability and related ratios for the fiscal year ended December 31, 2018 are as follows:

Service cost	$ 1,888,706
Interest	5,574,498
Differences between expected and actual	(2,635,326)
Changes of assumptions	4,526,842
Benefit payments	(3,734,995)
Net change in total OPEB liability	$ 5,619,725
Total OPEB liability – beginning of year	$79,614,472
Total OPEB liability – end of year (a)	$85,234,197
Contributions – Employer	$ 2,091,448
Net investment income	(2,758,513)
Benefit payments	(3,734,995)
Administrative Expense	(4,342)
Net change in plan fiduciary net position	$ (4,406,402)
Total fiduciary net position – beginning of year	$64,741,505
Total fiduciary net position – end of year (b)	$60,335,103
Net OPEB Liability (a)-(b)	$24,899,094

The County's contributions for the fiscal year ended December 31, 2018 are as follows:

Fiscal Year Ended	Actuarial Determined Contribution	County Contributions	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
December 31, 2018	$2,091,448	$2,091,448	$110,100,000	22.6%

For more information regarding GASB 75 with respect to the County, please reference "Note 3C4, Employment and Other Postemployment Benefits" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2018, an excerpt of which is included as Appendix IV of this Official Statement.

Sources: County's Comprehensive Annual Financial Reports.

Capital Improvements Plan and Budget

Each year the County prepares and adopts a five-year Capital Improvements Plan ("CIP"), and reviews and considers the requests of the various elected and appointed department heads. The first year of the five-year plan is adopted as the Capital Improvements Budget ("CIB") becomes operative. Years two through five are for planning purposes, and those requests, along with others that may be added, are further reviewed in subsequent years.

Operating Budget

The County's operating budget process is under the direction of the County Administrator, but is managed and prepared by the Budget Director and Division Finance Manager. The County Administrator works closely with the County Board so that he can communicate their goals and direction. Elected and appointed department heads prepare and submit budget requests for their individual departments, utilizing a centralized, automated system. The Budget is adopted by the County Board after deliberation with each department, working through the budget process.

The County has prepared an annual budget document in the past. The document was submitted to the Government Finance Officers Association of the United States and Canada (GFOA) for consideration for the Distinguished Budget Presentation Award. The County received the Distinguished Budget Presentation Award annually from 1999 through 2012. The County no longer prepares an annual budget document. However, the County now has a web-based tool called Open Gov that gives their citizens the ability to explore the County's budget in greater detail at their convenience. The County's budget information can be access at https://www.anokacounty.us/283/Budget.

Operating Budget Summary

	2018 Adopted	2019 Adopted
Revenues:		
County Share of Tax Levy	$130,082,235	$136,508,297
State Paid Credits	17,806,161	17,846,358
Total Tax Levy	$147,888,396	$154,354,655
Other Taxes	$ 458,250	$ 495,250
Licenses and Permits	1,312,369	1,383,050
Charges for Services	37,724,618	38,158,430
Fines and Forfeits	219,500	209,500
Intergovernmental:		
Federal	40,062,462	34,061,003
State	64,369,623	60,321,182
Other	10,419,424	12,980,985
Interest on Investments	1,760,000	2,665,000
Miscellaneous	4,334,584	4,780,050
Total Revenues	$308,549,226	$309,409,105
Other Sources:		
Budgeted Use of Fund Balance	$ 8,239	$ 30,464
Non-Revenue	2,631,415	2,734,576
Total Other Sources	$ 2,639,654	$ 2,765,040
Total Revenues and Other Sources	$311,188,880	$312,174,145
Expenditures:		
General Government	$ 44,302,334	$ 50,970,441
Public Safety	70,493,433	74,848,982
Road and Bridge	53,128,932	44,059,848
Human Services	77,195,190	77,406,160
Health	16,038,949	16,351,155
Environment and Sanitation	5,530,507	5,640,507
Culture and Recreation	19,468,146	19,549,591
Conservation of Natural Resources	548,794	660,249
Economic Development and Assistance	5,061,009	5,72,847
Debt Service/Capital Improvements	17,627,952	16,966,365
Total Expenditures	$309,395,246	$312,174,145
Other Uses		
Budgeted Increase(Decrease) – Fund Balance	$ 1,793,634	$ 0
Total Expenditures and Other Uses	$311,188,880	$315,174,145

General Fund Budget Summary

	2018 Budget	2018 Actual	2019 Budget
Fund Balance – January 1	$ 50,770,769	$ 50,770,769	$ 54,946,387
Revenues:			
Taxes	$ 63,847,013	$ 64,357,848	$ 69,795,526
Licenses and Permits	342,765	342,590	302,750
Intergovernmental	22,237,379	24,179,800	22,579,595
Charges for Services	27,935,343	24,473,745	28,564,230
Fines and Forfeits	4,000	11,658	4,000
Investment Income	1,700,000	5,235,931	260,500
Net Change in Fair Value of Investments	(760,916)	(760,916)	0
Miscellaneous	3,545,612	3,846,268	2,781,094
Transfers In	1,242,745	321,497	1,313,477
Total Revenues	$120,093,941	$124,908,421	$125,601,172
Expenditures:			
General Government	$ 42,781,472	$ 42,291,695	$ 41,897,545
Public Safety	67,166,403	66,343,912	70,501,078
Human Services	418,567	416,692	0
Environment and Sanitation	5,530,507	4,141,402	5,716,438
Culture and Recreation	167,623	152,623	254,615
Conservation of Natural Resources	169,492	166,992	0
Transfers Out	4,830,381	7,219,487	4,365,761
Total Expenditures	$121,064,445	$120,732,803	$122,735,438
Fund Balance – December 31	$ 49,800,265	$ 54,946,387	$ 57,812,122

Sources: County's Comprehensive Annual Financial Reports and the County.

Major General Fund Revenue Sources

Revenue	2014	2015	2016	2017	2018
Taxes	$51,651,670	$54,474,189	$57,526,244	$60,636,255	$64,257,848
Charges for Services	27,112,823	29,173,773	27,775,318	27,898,972	27,473,745
Intergovernmental	19,952,070	20,710,096	20,846,310	21,396,067	24,179,800
Miscellaneous	5,065,074	5,048,569	4,581,963	4,538,819	3,846,268
Investment Income	2,259,204	2,152,577	2,942,455	3,547,596	5,235,931

Sources: County's Comprehensive Annual Financial Reports.

PROPOSED FORM OF LEGAL OPINION

Kennedy & Graven
CHARTERED

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$_________
General Obligation Capital Improvement Plan Refunding Bonds
Series 2020A
Anoka County, Minnesota

We have acted as bond counsel to Anoka County, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A (the "Bonds"), originally dated as of January __, 2020, and issued in the original aggregate principal amount of $________. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable primarily from ad valorem taxes levied by the Issuer but, if necessary for the payment thereof, additional ad valorem taxes are required by law to be levied on all taxable property in the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor's rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated January __, 2020 at Minneapolis, Minnesota.

APPENDIX II

CONTINUING DISCLOSURE UNDERTAKING

$___________
Anoka County, Minnesota
General Obligation Capital Improvement Plan Refunding Bonds
Series 2020A

January __, 2020

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the County of Anoka, Minnesota (the "Issuer") in connection with the issuance of its General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A (the "Bonds") in the original aggregate principal amount of $__________. The Bonds are being issued pursuant to resolutions adopted by the Board of Commissioners of the Issuer (the "Resolutions"). The Bonds are being delivered to ________________ (the "Purchaser") on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

"Bonds" means the General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A, issued by the Issuer in the original aggregate principal amount of $__________.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the Preliminary Official Statement, dated November 15, 2019, and the Final Official Statement, dated __________, 2019, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term "Financial

Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

"GASB" means the Governmental Accounting Standards Board.

"Holder" means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

"Issuer" means the County of Anoka, Minnesota, which is the obligated person with respect to the Bonds.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Purchaser" means __________________.

"Repository" means EMMA, or any successor thereto designated by the SEC.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2019, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. County Property Values
2. County Indebtedness

3. County Tax Rates, Levies and Collections

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the legal defeasance, the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

ANOKA COUNTY, MINNESOTA

____
Chair

____
County Administrator

SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

Property Valuations (Chapter 273, Minnesota Statutes)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to $413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the County's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

Property Tax Payments and Delinquencies (Chapters 275, 276, 277, 279-282 and 549, Minnesota Statutes)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

Property Tax Credits (Chapter 273, Minnesota Statutes)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter's property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter's property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

Debt Limitations

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

2. Warrants or orders having no definite or fixed maturity.

3. Obligations payable wholly from the income from revenue producing conveniences.

4. Obligations issued to create or maintain a permanent improvement revolving fund.

5. Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.

6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.

7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.

8. Obligations to repay loans made under Minnesota Statutes, Section 216C.37.

9. Obligations to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.

10. Obligations issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

11. Obligations issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Levies for General Obligation Debt
(Sections 475.61 and 475.74, Minnesota Statutes)

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

Metropolitan Revenue Distribution (Chapter 473F, Minnesota Statutes)
“Fiscal Disparities Law”

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as “Fiscal Disparities,” was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/Saint Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS

Property Type	Local Tax Payable 2015-2019
Residential Homestead (1a)	
Up to $500,000	1.00%
Over $500,000	1.25%
Residential Non-homestead	
Single Unit (4bb)	
Up to $500,000	1.00%
Over $500,000	1.25%
1-3 unit and undeveloped land (4b1)	1.25%
Market Rate Apartments	
Regular (4a)	1.25%
Low-Income (4d)	
Up to $139,000[c]	0.75%
Over $139,000[c]	0.25%
Commercial/Industrial/Public Utility (3a)	
Up to $150,000	1.50%[a]
Over $150,000	2.00%[a]
Electric Generation Machinery	2.00%
Commercial Seasonal Residential	
Homestead Resorts (1c)	
Up to $600,000	0.50%
$600,000 - $2,300,000	1.00%
Over $2,300,000	1.25%[a]
Seasonal Resorts (4c)	
Up to $500,000	1.00%[a]
Over $500,000	1.25%[a]
Non-Commercial (4c12)	
Up to $500,000	1.00%[a][b]
Over $500,000	1.25%[a][b]
Disabled Homestead (1b)	
Up to $50,000	0.45%
Agricultural Land & Buildings	
Homestead (2a)	
Up to $500,000	1.00%
Over $500,000	1.25%
Remainder of Farm	
Up to $1,900,000[d]	0.50%[b]
Over $1,900,000[d]	1.00%[b]
Non-homestead (2b)	1.00%[b]

[a] *State tax is applicable to these classifications.*

[b] *Exempt from referendum market value based taxes.*

[c] *Legislative increases, payable 2019. Historical valuations are: Payable 2018 - $121,000; Payable 2017 - $115,000; Payable 2016 - $106,000; and Payable 2015 - $100,000.*

[d] *Legislative increases, payable 2019. Historical valuations are: Payable 2018 - $1,940,000; Payable 2017 - $2,050,000; Payable 2016 - $2,140,000; and Payable 2015 - $1,900,000.*

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First $76,000 – 0.40%; $76,000 to $500,000 – 1.00%; and over $500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in Saint Paul are exempt under this provision).

EXCERPT OF 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Data on the following pages was extracted from the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2018. The reader should be aware that the complete financial statements may contain additional information which may interpret, explain or modify the data presented here. The County's complete Comprehensive Annual Financial Report for the year ending December 31, 2018 is available online at http://www.co.anoka.mn.us/.

The County's comprehensive annual financial reports for the years ending 1986 through 2017 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The County has submitted its CAFR for the 2018 fiscal year to GFOA.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

ANOKA COUNTY
ANOKA, MINNESOTA

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Anoka County
Anoka, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anoka County, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Anoka County as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Anoka County's basic financial statements. The Introductory Section, the Combining and Individual Fund Financial Statements, the Other Supplementary Information, and the Statistical Section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and the Other Supplementary Information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and the Other Supplementary Information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2019, on our consideration of Anoka County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Anoka County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anoka County's internal control over financial reporting and compliance.

JULIE BLAHA
STATE AUDITOR

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 13, 2019

ANOKA COUNTY
ANOKA, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018
(Unaudited)

As management of Anoka County, we offer readers of Anoka County's financial statements this narrative overview and analysis of the financial activities of Anoka County for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vi to xi of this report.

Financial Highlights

- The assets and deferred outflows of resources of Anoka County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $835.1 million (net position). Of this amount, the County has ($5.6) million in unrestricted net position.
- The County's total net position increased by $71.1 million or about 9.3 percent.
- As of the close of the current fiscal year, Anoka County's governmental funds reported combined ending fund balances of $247.3 million. Approximately 64.8 percent of this total amount, $160.3 million, is available for spending at the County's discretion (committed, assigned, and unassigned fund balances). Nearly $123.7 million of these funds are committed or assigned for specific purposes.
- Combined assigned and unassigned fund balance for the General Fund was $41.9 million or 36.9 percent of total General Fund expenditures.
- Anoka County's bonded debt decreased by $20.9 million (13.6 percent) during the current fiscal year, as a result of scheduled debt service payments and refunded debt from the 2017A refunding issuance.
- The County issued $11.4 million in bonds during the year, which included $3.1 million for a library remodeling project and $8.3 million in refunding issuance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Anoka County's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* provide readers with a broad overview of Anoka County's finances, in a manner similar to private-sector businesses.

The *Statement of Net Position* presents information on all of Anoka County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Anoka County is improving or deteriorating.

The *Statement of Activities* presents information showing how Anoka County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both the Statement of Net Position and the Statement of Activities distinguish functions of Anoka County that are principally supported by taxes and intergovernmental revenues (*governmental activities).* The governmental activities of Anoka County include general government, public safety, highways and streets, human services, sanitation, culture and recreation, including Chomonix Golf Course and Bunker Beach Aquatic Center, conservation of natural resources and economic development.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Anoka County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Anoka County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balance of spendable resources* available at the end of the fiscal year. In particular, committed, assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

Anoka County maintains 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge and Human Services Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund, all of which are considered major governmental funds. Data from the other 12 funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Anoka County adopts annual appropriated budgets for the General Fund, and the Road and Bridge, Human Services, County Library, Parks and Recreation, Medical Examiner, Cooperative Extension, Law Library, Regional Railroad Authority, Housing and Redevelopment Authority, Leasehold Properties, and Joint Law Enforcement Council Special Revenue Funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 18 to 21 of this report.

Proprietary funds. Anoka County maintains one type of proprietary fund being the *internal service fund.* Internal service funds are an accounting device used to accumulate and allocate costs internally among Anoka County's various functions. Anoka County uses an internal service fund to account for its pooled insurance and central fleet operations. These services benefit governmental functions, and have been allocated to *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 22 to 24 of this report.

Fiduciary funds. Fiduciary funds account for resources held for the benefit of parties outside the government. Anoka County reports two fiduciary funds. The Other Postemployment Benefits Trust Fund is used to report contributions to an irrevocable trust fund and other postemployment benefits (OPEB) activity. The Agency Fund is used to report activity for programs that Anoka County acts as a fiscal agent. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Anoka County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25 and 26 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 to 68 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents other information, including: a) required supplementary information, other than Management's Discussion and Analysis (MD&A), that includes budgetary comparison schedules and information about the County's OPEB and pension plans, which can be found on pages 69 to 83; b) combining and individual fund statements referred to earlier in connection with nonmajor governmental funds, which can be found on pages 85 to 97 of this report; c) the Statement of Changes in Assets and Liabilities for the Agency Fund, which can be found on page 103; and d) Other Supplementary Information, including schedules on various financial aspects of the County, which can be found on pages 105 to 116.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Anoka County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $835.1 million at the close of the most recent fiscal year.

Anoka County Net Position
(in Thousands)

	Governmental activities 2018	Governmental activities 2017
Current and other assets	$ 299,978	$ 268,383
Capital assets	847,684	845,758
Total assets	1,147,662	1,114,141
Deferred outflows of resources	42,798	57,137
Long-term liabilities outstanding	249,328	304,364
Other liabilities	43,322	45,632
Total liabilities	292,650	349,996
Deferred inflows of resources	62,735	58,051
Net position:		
Net investment in capital assets	758,562	736,625
Restricted	82,088	76,434
Unrestricted	(5,575)	(49,828)
Total net position, as reported	$ 835,075	763,231
Reclassification of fund*		764
Total net position, as restated		$ 763,995

* On January 1, 2018 the activity in the Joint Law Enforcement Council Agency Fund is now reported in the Joint Law Enforcement Council Special Revenue Fund.

By far the largest portion of Anoka County's net position, $758.6 million, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related outstanding debt used to acquire those assets. Anoka County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Anoka County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of Anoka County's net position of $82.1 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of ($5.6) million is unrestricted net position.

The increase in net investment in capital assets portion of net position is the value of capital assets less the outstanding debt for those assets. The increase of $21.9 million is the result of continuing county projects of CSAH 83 Interchange ($25.6 million), continuing work of CSAH 116 from Crane St. to VanBuren St. ($12.7 million) and a decrease in debt related to capital assets of $17.7 million. Anoka County has made it a high priority to reduce new debt issues and accelerate the payments on existing debt.

There was an increase of $5.7 million in restricted net position primarily with the 0.25% transportation tax. A similar tax was previously collected by the Counties Transportation Improvement Board (CTIB) and used to fund specific transportation projects. CTIB was dissolved in 2017 and a new transportation tax of 0.25% (beginning in November 2017) is used to fund the Northstar commuter train agreement with the Metropolitan Council and Anoka County transportation projects.

The County is reporting a decrease of $35.7 million in net pension liability (NPL) for a total NPL of $90.8 million due to a difference in projected and actual investment earnings and adjusted actuarial assumptions. The State of Minnesota's new actuarial valuation report significantly reduced the liability and is reflected in the changes in actuarial assumptions. In addition to the NPL, the County is reporting deferred pension outflows of $38.0 million and deferred pension inflows of $60.5 million. For additional information, see Note 3.E on page 59 to 65.

Additional details are outlined in the table, "Anoka County Changes in Net Position", and the discussion that follows.

Governmental activities. Anoka County's governmental activities' net position increased $71.1 million in 2018. Key elements of this increase are as follows:

Revenues from charges for services decreased by $575.3 thousand (1.3 percent) in 2018.

Operating grants and contributions increased by $5.3 million (5.2 percent) in 2018. The most significant changes occurred with a $3.0 million increase in Highway user's tax (State Aid) for 2018. Human Services is funded with County levy and reimbursement grants. As a result, when the County provided an annual merit increase to personnel within the Human Services function, the reimbursements increased. The County received an increase in our Cost Allocation Plan of $1.3 million of which Human Services benefited from.

Capital grants and contributions decreased by $10.3 million (30.8 percent) in 2018. This is mainly due to the completion of the Armstrong Blvd. project in the City of Ramsey that occurred in 2017. The $23.1 million reported as capital grants and contributions for 2018 reflects payments received for current road projects including the Hanson Blvd. rail separation project, and the interstate 35 interchange project at CSAH 54 and CSAH 23.

Property and transportation tax revenues increased by $15.6 million (11.8 percent) during the year and reflects a budgeted property tax increase of $5.0 million and the full year transportation tax (which began November 2017) receipts of an additional $10 million.

Other revenues increased by $7.4 million (66.5 percent) from an increase in County Program Aid of $1.3 million as a result of legislative changes, investment income of $2.1 million, and the recognition of earned revenue, but not available to fund current expenses related to Community Development agricultural and rehab loans that are to be paid back by clients over time.

Anoka County Changes in Net Position
(in Thousands)

	Governmental activities 2018	Governmental activities 2017
Revenues:		
Program revenues		
Charges for services	$ 44,368	$ 44,943
Operating grants and contributions	105,759	100,505
Capital grants and contributions	23,105	33,393
General revenues:		
Property, transportation and wheelage taxes	147,455	131,835
Grants and contributions not restricted to specific programs	18,984	17,159
Other	18,529	11,131
Total revenues	358,199	338,966
Expenses:		
General government	49,905	57,115
Public safety	74,935	72,692
Highway and streets	32,529	34,549
Human services	86,750	89,935
Sanitation	4,126	4,538
Culture and recreation	18,632	18,815
Conservation of natural resources	718	645
Economic development	14,757	9,407
Interest on long-term debt	4,768	6,251
Total expenses	287,119	293,947
Increase (Decrease) in net position	71,079	45,019
Net position - January 1, as restated (Note 2.C.)	763,995	718,212
Net position - December 31	$ 835,075	$ 763,231

In 2017, Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* During 2018, the net other postemployment benefits (OPEB) obligation was increased by $10.0 million. Changes in actuarial assumptions and differences between expected and actual experience resulted in an increase of $1.9 million in the total OPEB liability, but the decrease in the fiduciary plan's net position due to the unpredictable December stock market resulting in a GASB 31 adjustment leaving a negative investment earning for the year. The OPEB expense of $970 thousand was allocated among the various functions of governmental activities. General government, public safety and human services each averaged $259 thousand in OPEB expense. Additional information is provided in the "Notes to the Financial Statements", Note 3.C.4, pages 45 to 49.

In 2015, Anoka County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27.* A new PERA valuation was completed for the pension plans and actuarial assumptions resulting in a $3.4 million reduction to pension expense which was allocated to various functions of the governmental activities. General government, public safety and human services each averaged a negative $1 million pension expense. This is offset by Anoka County's contributions to PERA throughout the year of $10.1 million resulting in a $6.7 million pension expense. Additional information is provided in the "Notes to the Financial Statements", Note 3E, pages 58 to 64.

General government expenses (excluding annual OPEB and pension costs) decreased $6.4 million in 2018 as a result of net activity recording new assets and the retirement of old assets ($5.1 million); decrease in pension expenses due to the effect of the new actuarial valuation report ($3.4 million); and an increase in salaries due to a budgeted 3.0 percent merit increase.

Public safety expenses increased $3.0 million (excluding annual OPEB and pension costs) due to an accounting change that moved the expense activity for the Joint Law Enforcement Council (JLEC) from an Agency Fund to the governmental funds of $1.4 million. The Pooled Insurance Internal Service Fund allocation to this function increased by $1.7 million as it looks at all insurance costs and loss ratios for the departments that are part of that governmental activities function.

Highways and streets expenses (excluding OPEB and pension costs) decreased $2 million primarily due to the completion of various projects.

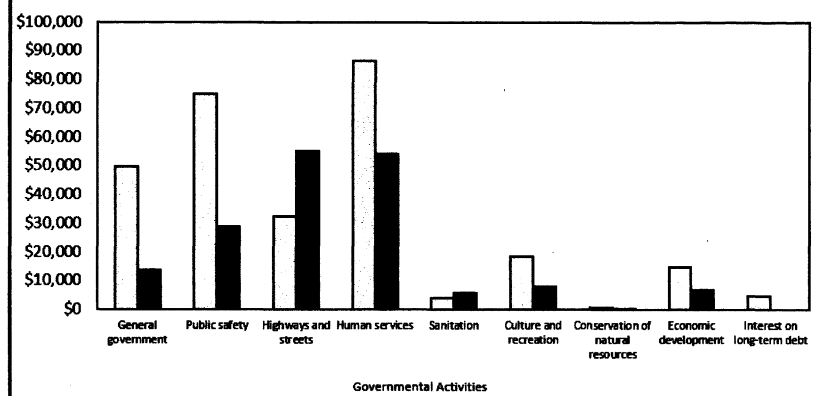
There was a $2.2 million decrease in human services expenses (excluding OPEB and pension costs) largely as a result of the decrease cost of long term liabilities, such as compensated absences, allocated to the governmental activities function based on employee count. Human services has nearly 50 percent of the total County employees.

Sanitation, culture and recreation, and conservation of natural resources all had very little change from 2017 to 2018. All three functions were favorably affected by the pension costs.

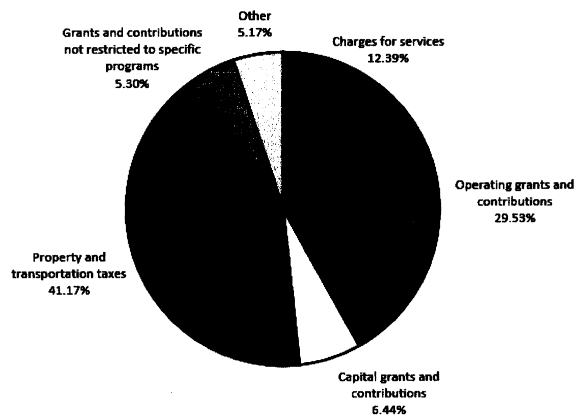
Economic development expenses increased by $5.3 million as anoka County Regional Rail Authority (RRA) now pays the operating costs for the Northstar Commuter Rail, previously paid by Metro Transit (a division of the Metropolitan Council). This will be an ongoing cost for Anoka County. This was offset by the transportation tax revenue increase.

The graph below reflects the program expenses and program revenues. Property tax levy and County Program Aid are not exhibited at the program level, but rather as general revenues, which are not displayed in this graph. General revenues are a significant portion of general government, public safety, human services, culture and recreation and interest on long-term debt, therefore the gap between the program expenses and revenues for those functions are greater than the gap between expenses and revenues for economic development. These programs are funded in large part with grant revenues, requiring a smaller portion of total expenditures to be covered with general revenues. Highways and streets received more outside revenue in 2018 than program expenses. Infrastructure capital asset additions, which are funded in large part by grant revenues, are not included as expenses but are instead capitalized on the statement of net position. Sanitation also received more outside revenue in 2018 than program expenses. These funds are available for use in future years for qualified projects.

2018 Expenses and Program Revenues – Governmental Activities
(Property tax levy and County Program Aid are not included)
(in Thousands)



2018 Revenues by Source -- Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, Anoka County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Anoka County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Anoka County's financing requirements. In particular, *committed, assigned, and unassigned fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of 2018, Anoka County's governmental funds reported combined ending fund balances of $247.3 million. This is a $25.3 million increase (11.4 percent) from 2017. The operating funds, excluding capital projects and debt service funds, for the County reflect a $27.2 million increase (21.8 percent) in fund balances. Approximately 64.8 percent, or $160.3 million of the combined fund balance total, represents a combination of *committed, assigned* and *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *nonspendable* or *restricted* to indicate that it is not available for new spending because it has already been dedicated: a) to cover inventories and prepaid items ($3.2 million); b) for amounts held by escrow agents, including highway right-of-way ($5.9 million); c) for grants, donations, and revolving loans received but not yet fully expended ($2.1 million); d) for debt service ($30.0 million); e) for recorder's compliance ($4.7 million); f) for sanitation ($22.9 million); g) for unspent bond proceeds ($2.5 million); and h) for a variety of other statutorily restricted purposes.

The General Fund is the chief operating fund of Anoka County. At the end of the current fiscal year, combined assigned and unassigned fund balance of the General Fund was $41.9 million, while total fund balance was $54.9 million. As a measure of the General Fund's liquidity, it may be useful to compare assigned and unassigned fund balance to total fund expenditures. Combined assigned and unassigned fund balance represents 36.9 percent of total General Fund expenditures.

The fund balance of Anoka County's major funds increased by $23.0 million as a result of planned actions of the County. The key factors contributing to this change in fund balance are as follows:

- Fund balance in the General Fund increased by $4.2 million and most revenue categories came in better than budget. Due to a favorable interest rate environment and continued execution of the County's investment program, investment income came in over budget by $3.5 million. Current year tax collections and collection of delinquent taxes came in over budget by $411 thousand. The effect of Governmental Accounting Standards Board (GASB), Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* which requires reporting the fair value of investments as opposed to the book value decreased total revenues with a loss of $761 thousand. This amount is required to be recognized in the financial statements. General government expenditures came in over budget by $1.1 million as the County refines the budget process to provide transparency to the final budget product. There was also a transfer of $1.1 million to asset preservation for future capital projects.
- The Road and Bridge Fund showed a $19.5 million increase in fund balance due to reimbursement of various project expenditures from the Capital Projects Fund.
- The Human Services Fund had an increase of $1.3 million in fund balance for 2018 after transferring $4.0 million to asset preservation for future capital projects.
- The Debt Service Fund's fund balance decreased by $7.5 million due to regularly scheduled debt service payments, and refunded debt from the 2017A refunding issue and the issuance of $8.4 million in refunding bonds.
- Fund balance in the Capital Projects Fund increased by $5.5 million due to budget savings transferred from operating funds from the General Fund ($1.1 million), Human Services Fund ($4.0 million), and Library Fund ($500 thousand), and a full calendar year of the transportation tax, as this was placed in service with the dissolution of the Counties Transit Improvement Board (CTIB).

The 2018 variance between the final budget and actual expenditures in the General Fund was a positive $932 thousand due to prudent spending in all areas of the budget.

Proprietary funds. Anoka County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

The difference between the original adopted budget and the final amended budget for expenditures in the General Fund was $316 thousand which reflects changes to additional grant funding received for public safety and a change in budget philosophy for centralized countywide initiatives.

Capital Asset and Debt Administration

Capital assets. The total increase in Anoka County's capital assets, net of depreciation, for the current fiscal year was $1.9 million. Investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, park facilities, roads, bridges, and software. The total increase in Anoka County's investment in capital assets for the current fiscal year was 0.2 percent.

Major capital asset events during the current fiscal year included the following:

- Land values increased in the amount of $3.6 million due to the purchase of $5.6 million in land and the selling of a parcel in the amount of $2.0 million for development near the Northstar commuter rail station.
- Buildings and structures decreased by $1.8 million due to the remodeling of existing structures ($3.4 million) and the replacement of two boilers ($278 thousand) and the demolition of the Centennial Library ($443 thousand).
- There was very little change in machinery and equipment this past year between purchasing of the new and selling/disposing of the old vehicles and equipment that still had asset value resulting in a decrease of $476 thousand.
- Infrastructure values (net of depreciation) decreased by $5.0 million resulting from the completion of several highway reconstruction projects including the reconstruction of CSAH 14 and various bridge improvements.
- The $7.3 million increase in construction in progress is due to the start and continuation of several projects including the Centennial Library rebuild, Property Star Tax System and the Riverfront Park redevelopment.

Anoka County Capital Assets
(Net of Depreciation, in Thousands)

	Governmental activities 2018	Governmental activities 2017
Land	$ 221,991	$ 218,433
Buildings and structures	157,238	159,000
Improvements other than buildings	14,037	15,304
Machinery and equipment	22,741	23,218
Infrastructure	356,933	361,919
Software	3,132	3,560
Construction in progress	71,612	64,323
Total	$ 847,684	$ 845,757

Additional information on Anoka County's capital assets can be found in Note 3.A.3. on page 41 of this report.

Long-term debt. At the end of the current fiscal year, Anoka County had total bonded debt outstanding of $132.7 million. Of this amount, $115.3 million comprises debt backed by the full faith and credit of the County and $17.4 million represents bonds secured solely by specified revenue sources, which are currently general obligation bonds supported by revenues.

Anoka County Outstanding Debt
General Obligation and Revenue Bonds
(in Thousands)

	Governmental activities 2018	Governmental activities 2017
General obligation bonds and notes	$ 89,905	$ 107,620
Lease revenue obligations	2,355	2,645
General obligation bonds supported by revenues	17,400	18,970
Limited tax bonds	22,995	24,310
Total	$ 132,655	$ 153,545

Anoka County's total bonded debt decreased by $20.9 million (13.6 percent) during the current fiscal year, due to scheduled debt service payments and the early defeasance of two general obligation bond issues and one refunding bond issue which totaled $33.3 million. Anoka County had two refunding bond issuances in 2018 totaling $8.3 million and also a new general obligation bond issue in the amount of $3.1 million.

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total estimated market value. The current debt limitation for Anoka County is $1.04 billion. The current general debt obligation is $115.3 million, or approximately 11.1 percent of the general obligation debt limit allowed.

Additional information on Anoka County's long-term debt can be found in the Notes to the Financial Statements, notes 3.C.6 through 3.C.8 on pages 50 to 56 of this report.

Economic Factors and Next Year's Budgets and Rates

- Inflationary trends in the region compare favorably to national indices.
- Anoka County ranks fourth in size of Minnesota Counties.

These and other factors were considered in preparing Anoka County's budget for the 2019 fiscal year.

During the current fiscal year, the total fund balance in the major governmental funds increased by $23.0 million. Debt service and capital project funds comprise $95.1 million of the total fund balance to be used for future debt payments and completion of current capital projects. The Anoka County Financial Policies delegate authority to the Division Manager of Finance and Central Services to assign fund balance for a specific purpose to be spent in future years.

Request for Information

This financial report is designed to provide a general overview of Anoka County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Division Manager, Finance and Central Services, Anoka County, 2100 3rd Avenue, Suite 300, Anoka, Minnesota 55303. You may also contact us via email at finance@co.anoka.mn.us or visit our website at www.anokacounty.us.

BASIC FINANCIAL STATEMENTS

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government
	Governmental Activities
Assets	
Cash, cash equivalents, and pooled investments	$ 240,439,917
Cash and investments with escrow agents	3,269,255
Funds held with courts	2,633,723
Delinquent taxes receivable	1,625,679
Accounts receivable, net of allowance for doubtful accounts	2,641,809
Accrued interest receivable	1,540,550
Loans receivable, net of allowance for doubtful accounts	
Due within one year	526,682
Due in more than one year	2,548,169
Leases receivable	
Due within one year	873,774
Due in more than one year	5,935,786
Due from other governments	34,443,108
Inventories	2,831,563
Prepaid items	668,267
Capital assets not being depreciated	
Land	221,991,084
Construction in progress	71,611,850
Capital assets, net of accumulated depreciation:	
Buildings and structures	157,238,252
Improvements other than buildings	14,036,586
Machinery and equipment	22,741,535
Infrastructure	356,933,036
Software	3,131,806
Total Assets	**1,147,662,431**
Deferred Outflows of Resources	
Deferred pension outflows	37,986,683
Deferred OPEB outflows	4,810,931
Total Deferred Outflows of Resources	**42,797,614**
Liabilities	
Accounts payable	3,400,305
Salaries payable	3,856,643
Contracts payable	2,791,346
Due to other governments	5,342,396
Matured interest payable	1,801,594
Unearned revenue	3,132,916
Noncurrent Liabilities:	
Due within one year	
Bonds and notes payable	21,250,000
Compensated absences	509,663
Outstanding claims payable	264,643
Capital leases payable	662,843
Loans payable	309,364
Due in more than one year	
Bonds and notes payable	118,115,734
Compensated absences	9,683,605
Outstanding claims payable	3,054,601
Capital lease payable	1,369,569
Loans payable	1,359,850
Net pension liability	90,845,868
Net other postemployment benefits (OPEB) liability	24,899,094
Total Liabilities	**292,650,034**
Deferred Inflows of Resources	
Deferred pension inflows	60,452,887
Deferred OPEB inflows	2,282,032
Total Deferred Inflows of Resources	**62,734,919**
Net Position	
Net investment in capital assets	758,562,517
Restricted for:	
Debt service	30,927,420
General government	5,139,462
Public safety	3,215,239
Highway	2,633,723
Human services	27,127
Sanitation	22,946,087
Culture and recreation	240,596
Conservation of natural resources	64,481
Economic development	14,385,475
Capital projects	2,507,984
Unrestricted (deficit)	(5,575,019)
Total net position	**$ 835,075,092**

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
					Primary Government
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary Government:					
Governmental activities:					
General government	$ 49,904,857	$ 8,954,359	$ 4,934,503	$ -	$ (36,015,995)
Public safety	74,935,383	19,041,424	10,027,344	-	(45,866,615)
Highways and streets	32,529,127	340,620	34,118,187	20,607,773	22,537,453
Human services	86,749,627	3,862,677	50,258,445	-	(32,628,505)
Sanitation	4,126,110	4,556,151	1,415,081	-	1,845,122
Culture and recreation	18,631,923	4,416,950	1,095,495	2,496,805	(10,622,673)
Conservation of natural resources	717,508	87,683	74,500	-	(555,325)
Economic development	14,756,823	3,107,648	3,835,069	-	(7,814,106)
Interest expense and fiscal charges on long-term debt	4,767,771	-	-	-	(4,767,771)
Total governmental activities	$ 287,119,129	$ 44,367,512	$ 105,758,624	$ 23,104,578	$ (113,888,415)

General Revenues:	
Property taxes collected for general purposes	119,723,756
Property taxes collected for debt service	15,866,366
Transportation taxes collected for transportation	11,865,020
Wheelage tax collected for highways and streets	30
Grants and contributions not restricted to specific programs	18,983,759
Unrestricted investment earnings	6,860,921
Gain on sale of capital assets	302,516
Miscellaneous	11,366,506
Total general revenues	184,968,874
Change in net position	71,080,459
Net position-January 1, as restated (Note 2.C.)	763,994,633
Net position-December 31	$ 835,075,092

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and pooled investments	$ 53,498,564	$ 21,464,604	$ 32,902,794	$ 30,146,838	$ 61,052,609	$ 35,649,703	$ 234,715,112
Cash and investments with escrow agents	-	-	-	2,623,946	-	645,309	3,269,255
Funds held with courts	-	2,633,723	-	-	-	-	2,633,723
Delinquent taxes receivable	924,618	110,033	406,312	1,192	1,968	181,556	1,625,679
Accounts receivable, net of allowance for doubtful accounts	616,229	30,687	1,638,733	1,650	195,986	151,686	2,634,971
Accrued interest receivable	1,540,550	-	-	-	-	-	1,540,550
Loans receivable	490,726	-	-	-	-	2,584,125	3,074,851
Leases receivable	6,809,560	-	-	-	-	-	6,809,560
Due from other funds	1,320,000	-	-	-	-	-	1,320,000
Due from other governments	4,467,792	18,585,484	8,277,396	-	1,065,550	2,046,561	34,442,783
Advances to other funds	-	-	-	-	987,484	-	987,484
Inventories	-	2,502,968	-	-	-	34,541	2,537,509
Prepaid items	83,517	-	30,540	-	-	554,210	668,267
Total Assets	69,751,556	45,327,499	43,255,775	32,773,626	63,303,597	41,847,691	296,259,744
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	1,263,899	227,162	1,168,761	43,420	97,388	444,924	3,245,554
Salaries payable	2,473,598	204,180	939,833	-	-	239,032	3,856,643
Contracts payable	315,547	882,436	798,861	-	552,157	205,449	2,754,450
Due to other funds	-	-	-	-	-	414,000	414,000
Due to other governments	1,425,849	1,329,168	1,830,706	-	212,156	533,613	5,331,492
Advances from other funds	209,575	-	-	-	-	777,909	987,484
Matured interest payable	-	-	-	55,679	-	-	55,679
Unearned revenues	822,782	-	700,500	-	-	1,609,634	3,132,916
Total Liabilities	6,511,250	2,642,946	5,438,661	99,099	861,701	4,224,561	19,778,218
Deferred Inflows of Resources							
Unavailable revenue	8,293,919	17,183,625	406,312	1,192	1,968	3,256,955	29,143,971
Fund Balances							
Nonspendable in (Note 3.D.)							
General Fund	83,517	-	-	-	-	-	83,517
Special revenue funds	-	2,502,968	30,540	-	-	588,751	3,122,259
Restricted in (Note 3.D.)							
General Fund	12,938,962	-	-	-	-	-	12,938,962
Special revenue funds	-	2,633,723	27,127	-	-	2,871,925	5,532,775
Debt Service Fund	-	-	-	32,673,335	-	-	32,673,335
Capital Projects Fund	-	-	-	-	32,688,437	-	32,688,437
Committed in (Note 3.D.)							
Special revenue funds	-	-	-	-	-	3,823,860	3,823,860
Assigned in (Note 3.D.)							
General Fund	5,259,061	-	-	-	-	-	5,259,061
Special revenue funds	-	20,364,237	37,353,135	-	-	27,142,437	84,859,809
Capital Projects Fund	-	-	-	-	29,751,491	-	29,751,491
Unassigned	36,664,847	-	-	-	-	(60,798)	36,604,049
Total Fund Balances	54,946,387	25,500,928	37,410,802	32,673,335	62,439,928	34,366,175	247,337,555
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 69,751,556	$ 45,327,499	$ 43,255,775	$ 32,773,626	$ 63,303,597	$ 41,847,691	$ 296,259,744

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total fund balances for governmental funds (Exhibit 3)		$ 247,337,555
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		847,684,149
Deferred outflows resulting from pension obligations ($37,986,683) and OPEB obligations ($4,810,931) are not available resources and, therefore, are not reported in governmental funds.		42,797,614
Internal service funds are used by the County to charge the cost of insurance ($2,274,083) to the individual funds as well as cost of maintenance and fuel for the County vehicles and large equipment (-$675,856). The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,598,227
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities.		
Bonds and notes payable - net of premium and discount	$ (139,365,734)	
Compensated absences	(10,193,268)	
Capital leases payable	(2,032,412)	
Loans payable	(1,669,214)	
Net pension liability	(90,845,868)	
Net other postemployment benefits liability	(24,899,094)	
Total long term liabilities		(269,005,590)
Matured interest payable is not due and payable in the current period and therefore, is not reported on the fund statements.		
Matured interest payable reported on Exhibit 1	$ (1,801,594)	
Matured interest payable reported on Exhibit 3	55,679	
		(1,745,915)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		29,143,971
Deferred inflows resulting from pension obligations ($60,452,887) and OPEB obligations ($2,282,032) are not due and payable in the current period and, therefore, are not reported in governmental funds.		(62,734,919)
Net position of governmental activities (Exhibit 1)		**$ 835,075,092**

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	$ 64,257,848	$ 7,758,192	$ 34,510,902	$ 15,924,344	$ 11,865,797	$ 14,285,905	$ 148,602,988
Licenses and permits	342,590	99,996	1,052,395	-	-	585	1,495,566
Intergovernmental	24,179,800	41,147,802	53,979,620	5,107	4,142,924	9,468,738	132,923,991
Charges for services	27,473,745	-	2,981,352	-	-	6,499,761	36,954,858
Fines and forfeitures	11,658	-	-	-	-	654,350	666,008
Investment income	5,235,931	62,678	-	69,538	24,363	431,900	5,824,410
Net change in fair value of investments	(760,916)	-	-	(28,943)	-	-	(789,859)
Miscellaneous	3,846,268	253,809	464,525	1,140,512	685,624	4,650,791	11,041,529
Total Revenues	124,586,924	49,322,477	92,988,794	17,110,558	16,718,708	35,992,030	336,719,491
Expenditures							
Current							
General government	42,291,695	-	-	-	5,220,787	662,330	48,174,812
Public safety	66,343,912	-	-	-	1,958,024	4,755,799	73,057,735
Highways and streets	-	36,850,102	-	-	2,514	-	36,852,616
Human services	416,692	-	87,625,085	-	171,304	-	88,213,081
Sanitation	4,141,402	-	-	-	-	-	4,141,402
Culture and recreation	152,623	-	-	-	588,960	18,714,906	19,456,489
Conservation of natural resources	166,992	-	-	-	-	552,783	719,775
Economic development	-	-	-	-	-	14,348,518	14,348,518
Debt Service							
Principal retirement	-	-	-	32,310,000	658,334	332,171	33,300,505
Interest	-	-	-	4,990,707	49,035	11,525	5,051,267
Bond issuance costs	-	-	-	172,350	-	-	172,350
Administrative charges	-	-	-	64,319	-	-	64,319
Capital Outlay							
General government	-	-	-	-	72,078	-	72,078
Public safety	-	-	-	-	1,041,482	-	1,041,482
Human services	-	-	-	-	41,902	-	41,902
Culture and recreation	-	-	-	-	1,086,148	-	1,086,148
Intergovernmental							
Highways and streets	-	218,186	-	-	-	-	218,186
Total Expenditures	113,513,316	37,068,288	87,625,085	37,537,376	10,890,568	39,378,032	326,012,665
Excess of Revenues Over (Under) Expenditures	11,073,608	12,254,189	5,363,709	(20,426,818)	5,828,140	(3,386,002)	10,706,826
Other Financing Sources (Uses)							
Transfers in	321,497	7,327,950	46,030	4,026,009	9,109,635	7,030,108	27,861,229
Transfers out	(7,219,487)	(71,500)	(4,101,134)	(14,214)	(12,766,197)	(3,688,697)	(27,861,229)
Bonds issued	-	-	-	-	3,115,000	-	3,115,000
Refunding bonds issued	-	-	-	8,305,000	-	-	8,305,000
Premium on bonds	-	-	-	611,166	244,734	-	855,900
Proceeds from land sales	-	3,500	-	-	-	2,298,715	2,302,215
Total Other Financing Sources (Uses)	(6,897,990)	7,259,950	(4,055,104)	12,927,961	(296,828)	5,640,126	14,578,115
Net Change in Fund Balances	4,175,618	19,514,139	1,308,605	(7,498,857)	5,531,312	2,254,124	25,284,941
Fund Balances - January 1, as restated (Note 2.C.)	50,770,769	6,024,713	36,102,197	40,172,192	56,908,616	32,097,242	222,075,729
Increase (decrease) in inventories	-	(37,924)	-	-	-	14,809	(23,115)
Fund Balances - December 31	$ 54,946,387	$ 25,500,928	$ 37,410,802	$ 32,673,335	$ 62,439,928	$ 34,366,175	$ 247,337,555

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balances - total governmental funds (Exhibit 5)		$ 25,284,941
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustment	$ 27,382,180	
Current year depreciation	(22,198,692)	
		5,183,488
The issuance of long-term debt (e.g., bonds) provides current financial resources and capital lease arragements are considered a source of financing to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued:		
General obligation bonds and notes	$ (3,115,000)	
Refunding general obligation bonds and notes	(8,305,000)	
Loans	(363,365)	
Discounts and premiums	(855,900)	
Principal repayments:		
Debt service principal retirement	33,300,542	
Current year amortization of discounts and premiums	1,337,005	
		21,998,282
The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net position.		(3,257,180)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. Earned but unavailable revenue reported in the governmental funds net of current year delinquent tax collections.		
Unavailable revenue - December 31	$ 29,143,971	
Unavailable revenue - January 1	(9,130,019)	
		20,013,952
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in compensated absences (-$43,070), change in interest payable ($523,491), and changes in inventories (-$23,115).		457,306
Current year net change in the net other postemployment benefits (OPEB) liability, deferred OPEB inflows and deferred OPEB outflows.		(970,252)
Current year net change in deferred pension outflows, net pension liability, and deferred pension inflows.		4,142,943
The internal service funds are used to accumulate and allocate costs from the central fleet internal service fund and pooled insurance fund to the individual funds within Anoka County. The increase in net position of the internal service funds are reported in the government-wide statement of activities.		(1,773,020)
Changes in net position of governmental activities (Exhibit 2)		**$ 71,080,460**

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Governmental Activities - Internal Service Funds
Assets	
Current Assets:	
Cash and pooled investments	$ 5,724,805
Accounts receivable	6,838
Due from other governments	325
Inventories	294,054
Total Assets	**6,026,022**
Liabilities	
Current Liabilities:	
Accounts payable	154,751
Contracts payable	36,896
Due to other governments	10,904
Due to other funds	906,000
Outstanding claims payable	264,643
Total current liabilities	**1,373,194**
Noncurrent Liabilities:	
Outstanding claims payable	3,054,601
Total Liabilities	**4,427,795**
Net Position	
Unrestricted	1,598,227
Total Net Position	**$ 1,598,227**

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for services	$ 4,017,572
Insurance recoveries	296,297
Miscellaneous	532,224
Total Operating Revenues	**4,846,093**
Operating Expenses	
Personal services	1,372,815
Other services and charges	1,363,209
Supplies	1,123,317
Insurance	2,745,778
Capital outlay	13,994
Total Operating Expenses	**6,619,113**
Increase (Decrease) in Net Position	**(1,773,020)**
Net Position - January 1	**3,371,247**
Net Position - December 31	**$ 1,598,227**

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
Increase (Decrease) in Cash and Cash Equivalents

		Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:		
Receipts from customers	$	4,840,607
Payments to suppliers		(5,151,500)
Net cash provided (used) by operating activities		**(310,893)**
Cash and cash equivalents, January 1		**6,035,698**
Cash and cash equivalents, December 31	**$**	**5,724,805**
Reconciliation of operating income to net cash provided (used) by operating activities:		
Net operating income (loss)	**$**	**(1,773,020)**
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in Accounts receivable		(5,882)
Increase (decrease) in Due from other governments		396
Increase (decrease) in Inventories		110,326
Increase (decrease) in Accounts payable		69,176
Increase (decrease) in Contracts payable		36,896
Increase (decrease) in Due to other funds		696,000
Increase (decrease) in Due to other governments		(3,023)
Increase (decrease) in Outstanding claims payable		558,238
Total adjustments		**1,462,127**
Net cash provided (used) by operating activities	**$**	**(310,893)**

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018

	Other Postemployment Benefits Trust Fund	Agency Fund
Assets		
Cash and pooled investments	$ 61,978,650	$ 8,893,967
Accounts receivable	-	11,424
Due from other governments	-	249,493
Total Assets	**61,978,650**	**9,154,884**
Liabilities		
Accounts payable	-	874,045
Due to other governments	1,643,547	8,280,839
Total Liabilities	**1,643,547**	**$ 9,154,884**
Net Position		
Held in trust for postemployment benefits	**$ 60,335,103**	

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Other Postemployment Benefits Trust Fund
Additions	
Employer contributions	$ 2,091,448
Investment earnings (loss)	(2,758,513)
Less: investment expense	(4,342)
Net Investment earnings	**(2,762,855)**
Total Additions	**(671,407)**
Deductions	
Benefits	3,734,995
Change in net position	**(4,406,402)**
Net Position - January 1	64,741,505
Net Position - December 31	**$ 60,335,103**

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. Summary of Significant Accounting Policies

Anoka County was established May 23, 1857, and is an organized county having the powers, duties and privileges granted counties by Minn. Stat. § 373. Anoka County is governed by a seven-member board of commissioners elected from districts within the County for four-year terms. The Board is organized with a chair and vice-chair elected at the organizational meeting in January of each year. The County Board appoints the County Administrator for an indefinite term. The County Administrator has no vote in the decisions of the County Board.

The County's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

For financial reporting purposes, Anoka County has included all funds, organizations, agencies, boards, commissions, and authorities, and has considered all potential component units for which the County is financially accountable, and other organizations whose nature and the significance of their relationship with the County are such that exclusion would cause Anoka County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.

As required by generally accepted accounting principles, these financial statements present Anoka County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

The County participates in several joint ventures which are described in Note 3.G.

See Note 4.B. for the description of a related organization.

Blended Component Units

Blended component units are entities, which are legally separate from the County, but are so intertwined that they are, in substance, the same as the County. They are reported as part of the primary government.

The **ANOKA COUNTY REGIONAL RAILROAD AUTHORITY** is governed by a seven-member board consisting of the Anoka County Commissioners, and has the power to levy taxes, issue bonds, and enter into contracts. The Authority was established for the preservation and improvement of local rail service. Although it is legally separate from the County, the activity of the Regional Railroad Authority is included in the Anoka County reporting entity as the Regional Railroad Authority Special Revenue Fund because the Authority's governing body is substantively the same as the governing body of Anoka County and management of Anoka County has operational responsibility for the component unit. Separate financial statements are not available for the Anoka County Regional Railroad Authority.

The **ANOKA COUNTY HOUSING AND REDEVELOPMENT AUTHORITY** is governed by a seven-member board consisting of the Anoka County Commissioners, and has the power to levy taxes, issue bonds, and enter into contracts. The Authority was established to assist with the implementation of a redevelopment plan to promote economic development within Anoka County. Although it is legally separate from the County, the activity of the Housing and Redevelopment Authority is included in the Anoka County reporting entity as the Housing and Redevelopment Authority Special Revenue Fund because the Authority's governing body is substantively the same as the governing body of Anoka County and management of Anoka County has operational responsibility for the component unit. Separate financial statements are not available for the Anoka County Housing and Redevelopment Authority.

The **ANOKA COUNTY JOINT LAW ENFORCEMENT COUNCIL (JLEC)** is governed by a five-member executive committee consisting of the Anoka County Attorney, Anoka County Sheriff, and the police chiefs for the cities of Lino Lakes, Centennial Lakes and Coon Rapids. The Anoka County Attorney and the Anoka County Sheriff will always be a part of the executive committee, as Chair and Secretary Treasurer. This joint venture was granted by Minnesota Statute Section 471.59 to bring law enforcement groups together to improve the efficiency and the effectiveness of law enforcement and to improve public safety in Anoka County. The main goal of the Council is for a public safety communications system to operate as effectively as possible. Common equipment purchased through Anoka County is important to that goal. Although separate from the County, it is reported in Anoka County's financial statements as Anoka County is the fiscal agent and purchasing agent. Anoka County is also able to issue bonds for the equipment used by JLEC. Separate financial statements are not available for the Anoka County Joint Law Enforcement Council.

1. Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the primary government and its component units. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These activities are not eliminated in the process of consolidation.

In the government-wide Statement of Net Position, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

The Statement of Activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental funds, with each displayed as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or incidental activities.

Operating expenses for internal service funds include services, supplies, insurance, and capital outlay. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County and is used to account for all financial resources except those accounted for in another fund.

The Road and Bridge Special Revenue Fund accounts for operations of the County Highway Department, which constructs and maintains roads, bridges, road signals and signs, and other projects affecting the roadways. Financing comes primarily from intergovernmental revenue from the State and Federal Governments and an annual property tax levy.

The Human Services Special Revenue Fund accounts for all costs of human services. This includes the cost of economic assistance programs, social and mental health services provided by the Human Services Division or purchased through contract, and the County's support to the Community Action Program. Financing comes primarily from an annual property tax levy and intergovernmental revenue from the State and Federal Governments.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest, and related costs of general long-term debt.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or improvement of major capital facilities (other than those financed by proprietary funds).

Additionally, the County reports the following fund types:

The Internal Service Funds are comprised of the Pooled Insurance Fund, which accounts for the County's insurance and wellness activities, and the Central Fleet Fund, which accounts for the maintenance and fuel for the County's fleet of vehicles and large equipment.

The Trust Fund accounts for an irrevocable trust established for funding other postemployment benefits for eligible retired employees under a single employer defined benefit plan.

The Agency Fund is used to account for assets held by the County as a trustee or agent for individuals, private organizations, other governments, or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting.* The fiduciary fund financial statements are reported using the *full accrual basis of accounting.* Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Shared revenues are generally recognized in the period the appropriation goes into effect. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Anoka County considers all revenues to be *available* if they are collected within 60 days after the end of the current period, except for reimbursement (expenditure driven) grants for which the period is 120 days. Property and other taxes, shared revenues, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and the unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Cash and Investments

Anoka County maintains a cash and investment pool that is used essentially as a demand deposit account. This pool is available for use by all funds of the County and each fund type's portion of this pool is displayed on the Statement of Net Position within "Cash, cash equivalents, and pooled investments."

Cash and cash equivalents are identified only for the purpose of the Statement of Cash Flows reporting by the proprietary funds. Pooled investments, which have the characteristics of demand deposits, are considered to be cash and cash equivalents on the Statement of Cash Flows.

Pooled (in lieu of cash) investments are stated at fair value at December 31, 2018. Investment earnings are allocated to the Regional Railroad Authority Special Revenue Fund, agency funds, and to the Capital Projects Fund, based on cash balances set aside for specific purposes within those funds. Pursuant to Minn. Stat. § 385.07, investment income on unallocated cash and pooled investments are credited to the General Fund. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value.

Investments with escrow agents and trust accounts are stated at fair value. Investment earnings on cash and investments with escrow agents and investments in trust accounts are credited to the funds in which they are held.

Anoka County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The investment in the pool is measured at the net asset value per share provided by the pool.

Additionally, the County invests funds held for post-employment benefits with the State Board of Investment. The fair value of the investment is the fair value per share of the underlying portfolio.

Minn. Stat. § 118A.04 and 118A.05 authorize the following types of investments that are available to the County:

a. Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6.

b. Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments.

c. General obligations of the State of Minnesota and its municipalities; and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service.

d. Bankers' acceptances issued by United States banks.

e. Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized ratings agencies and matures in 270 days or less.

f. With certain restrictions, as identified by statutes, repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

All receivables, including those of the blended component units are shown net of an allowance for doubtful accounts.

Property Taxes

Property tax levies are set by the County Board in December each year following a public "truth in taxation" hearing. The levy is reduced by State paid aids referred to as County Program Aid. The remaining net levy is spread on all taxable real and personal property. Taxes which remain unpaid at December 31 are delinquent. Such taxes become a lien on January 1 and are recorded as receivables by the County at that date. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material. Revenues are accrued and recognized in the year collectible, net of delinquencies.

Property taxes are payable in two installments for real estate and one payment for personal property. The dates are listed below:

Real Estate	- first half	- May 15
	- second half	- October 15
Personal Property	- one payment	- May 15

Loans

Loans may be made to private enterprises or individuals as per the parameters of the specific programs. The Community Development Special Revenue Fund provides rehabilitation loans and septic system revolving loans to individuals. An allowance for uncollectible loans, which offsets the total gross loans receivables, is recognized for the amount of loans receivable for which collection is doubtful or questionable. The General Fund has forfeited tax sale contracts for repurchase and a loan for temporary delay of rental revenues.

Leases

The County has issued lease revenue obligation debt for organizations. A long-term lease exists between the County and the organization which matches the term of the debt.

3. Inventories

Inventory is valued at cost, using the first-in, first-out (FIFO) method. The inventory in the Road and Bridge Special Revenue Fund, and the Central Fleet Internal Service Fund consists of expendable supplies held for consumption. The inventory in the Parks and Recreation Special Revenue Fund consists of items held for resale. Depending on the nature of the item or the fund in which the inventory is recorded, the costs of the inventories are recorded as expenses/expenditures when purchased, or when consumed rather than when purchased. The cost of the inventory is recorded as an expenditure in the governmental fund statements at the time individual inventory items are purchased. Reported inventories are equally offset by nonspendable fund balance to indicate that they do not constitute "available spendable resources."

Inventories at the government-wide level and proprietary funds are recorded as expenses when consumed.

4. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are equally offset by nonspendable fund balance to indicate that they do not constitute "available spendable resources."

Prepaid items are expensed using the consumption method for both the government-wide and fund financial statements.

5. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), and intangible assets are reported in the governmental activities column in the government-wide financial statements. Capital assets, excluding infrastructure, are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Infrastructure assets are capitalized when the cost of the individual items or projects are greater than $100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

5. Capital Assets (Continued)

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	50 years
Infrastructure	50 years
Land improvements	20 years
Furniture and fixtures	20 years
Machinery and tools	15 years
Intangible assets	12 years
Office machines and equipment	10 years
Licensed vehicles	8 years
Unmarked vehicles	5 years
Marked vehicles	3 years
Information and technology management equipment	5 years

6. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual vacation and sick leave and flexible time off balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The current portion of the compensated absences liability is calculated at five percent of the total liability.

7. Deferred Outflows/Inflows of Resources / Unearned Revenue

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. These items, deferred OPEB outflows and deferred pension outflows, are discussed below in Note 1.D.8 and 1.D.10., respectively.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three such items that qualify for reporting in this category. The first item, unavailable revenue, arises only under the modified accrual basis of accounting. Unavailable revenue is reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second and third items, deferred OPEB inflows and deferred pension inflows, are discussed below in Note 1.D.8 and 1.D.10., respectively.

Governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received, but not yet earned.

8. Postemployment Benefits Other Than Pensions (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net positions of Anoka County OPEB benefits and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by Anoka County. For this purpose, Anoka County recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Actual payment of the net OPEB liability are made directly from the same governmental funds that incurred the salary expenditures.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received and discounts taken on debt issuances are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

9. Long-Term Obligations (Continued)

Because the rates of interest paid on tax exempt debt are normally lower than those paid on taxable securities, it is sometimes possible for state and local governments to profit from this disparity in interest rates by temporarily reinvesting unexpended proceeds of lower interest tax exempt borrowings in higher yielding taxable securities. When the proceeds of tax-exempt debt are reinvested in this manner, the profits realized are referred to as "arbitrage earnings", which must be rebated to the federal government. The County has no such earnings during the current year.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

Actual payments of the net pension liability are made directly from the same governmental funds that incurred the salary expenditures. Net pension liabilities were paid from the General Fund and Special Revenue Funds.

11. Fund Equity

Classification of Net Position

Net position in the government-wide and proprietary fund financial statements are classified in the following categories:

1. Net investment in capital assets: the amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

2. Restricted net position: the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted net position: the amount of net position that does not meet the definition of restricted or net investment in capital assets.

Classification of Fund Balances

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are as follows:

1. Nonspendable: Fund balances classified as nonspendable include assets that will never convert to cash, such as prepaid items and inventories of supplies.

2. Spendable: All fund balances that are not classified as nonspendable are deemed spendable. The fund financial statements provide for classifications within the spendable category based upon the relative strength of the constraints that control how specific amounts can be spent. Those classifications are as follows:

    a. Restricted: Net fund resources that are subject to externally enforceable legal restrictions are deemed to be restricted. These restrictions are either 1) externally imposed by creditors (via bond or loan covenants), grantors, contributors or laws and regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.

    b. Committed: Net fund balances that represent resources that can be used only for the specific purposes determined by formal action of the Board are deemed to be committed. The County's formal actions, or board resolutions, are the highest decision making level and remain binding unless removed in the same manner. Additionally, any Board action, either binding or unbinding, needs to be taken prior to the end of the calendar year.

    c. Assigned: Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board has by resolution authorized the Finance and Central Services Division Manager to assign fund balance.

    d. Unassigned: The residual classification of the County's General Fund not contained in the other classifications is deemed to be unassigned. In other governmental funds, the unassigned classification is used only to report deficit balances resulting from overspending for specific purposes for which amounts had been restricted or committed.

It is the policy of the County to spend fund balance in the following order: *restricted, committed, assigned* and then *unassigned.*

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

11. Fund Equity (Continued)

Minimum Fund Balance Policy

Anoka County has adopted a minimum fund balance policy to address cash flow or working capital needs and contingencies in the General Fund, which is heavily reliant on property tax revenues to fund current operations. However, current property tax revenues are not available for distribution until June. Therefore, the County Board has determined they need to maintain an unassigned fund balance in the General Fund equaling 35-50% of the next year's operations, which is calculated as total budgeted operating expenditures less total budgeted operating (non-tax) revenues.

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources; and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

A. Deficit Fund Balance

The Leasehold Properties Special Revenue Fund had a deficit fund balance of $60,798 at December 31, 2018. This deficit will be eliminated with future lease revenues.

The Central Fleet Internal Service Fund had a deficit net position of $675,856 at December 31, 2018. This deficit will be made up over time with a cost allocation plan to allocate expenditures throughout the county.

B. Excess of Expenditures Over Budget

The following nonmajor governmental funds have expenditures in excess of budget for the year ended December 31, 2018:

	Expenditures		
Special Revenue Fund	Final Budget	Actual	Excess
Parks and Recreation			
Debt service			
Principal retirement	$ 29,000	$ 29,108	$ 108
Medical Examiner			
Current			
Public safety	3,327,030	3,327,249	219
Housing and Redevelopment Authority			
Current			
Economic Development			
Cities	-	579,359	579,359
Chauncey-Barett Gardens Senior Housing	373,020	643,979	270,959
Debt service			
Interest	-	11,253	11,253
Leasehold Properties			
Current			
General government	239,593	274,774	35,181
Joint Law Enforcement Council			
Current			
Public safety	1,378,940	1,423,042	44,102

2. Stewardship, Compliance, and Accountability (Continued)

C. Reclassification of Fund

On January 1, 2018, the activity in the Joint Law Enforcement Council Agency Fund is being reported as the Joint Law Enforcement Council Special Revenue Fund. As discussed in Note 1.A., the Joint Law Enforcement Council is considered to be a blended component unit of the County. Beginning fund balance in the Joint Law Enforcement Council Special Revenue Fund and net position in the Governmental Activities has been restated to reflect this change. Since the Agency Fund does not report fund balance/net position, this restatement was made to both assets (cash and pooled investments) and liabilities (due to other governments).

The effects of these changes are as follows:

	Governmental Activities	Joint Law Enforcement Council Special Revenue Fund	Agency Fund
Balance - January 1, 2018, as previously reported			
Fund Balance/Net Position	$ 763,231,073	$ -	
Assets/Liabilities			$ 12,530,439
Reclassification of Joint Law Enforcement Council	763,560	763,560	(763,560)
Balance - January 1, 2018, as restated			
Fund Balance/Net Position	$ 763,994,633	$ 763,560	
Assets/Liabilities			$ 11,766,879

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

a. Deposits

Minn. Stat. § 118A.02 and 118A.04 authorize the County to deposit its cash and to invest in certificates of deposit in financial institutions designated by the County Board. Minnesota Statute § 118A.03 requires that all County deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better, revenue obligations rated "AA" or better, irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. County policy requires collateral coverage for all deposit balances exceeding the FDIC insured levels. Federal Home Loan Bank irrevocable letters of credit may be substituted for qualifying government securities at some institutions. Depository balances are monitored as necessary, to assure the coverage in place, meets or exceeds statutory requirements as specified in Minn. Stat.§ 118A.03. As of December 31, 2018, the County's deposits were not exposed to custodial credit risk, being fully covered through collateral agreements with designated depositories.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

b. Investments

The County invests available cash in various securities in accordance with requirements set forth in Minnesota Statutes. All investments are stated at fair value, net asset value, or amortized cost, as appropriate. The following is a summary of the County's cash and investments, at December 31, 2018:

Primary government		
Cash, cash equivalents and pooled investments	$	240,439,917
Cash and investments with escrow agents		3,269,255
Funds held with courts		2,633,723
Fiduciary funds		
Cash, cash equivalents and pooled investments		
Agency Fund		8,893,967
Investments		
Trust Fund		61,978,650
Total cash and investments	$	317,215,512

Minn. Stat. § 118A.06 authorizes the following safekeeping options for the County's investments:

(1) Any federal reserve bank.
(2) Any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including but not limited to the bank from which the investment is purchased.
(3) A primary reporting dealer in United States government securities to the Federal Reserve Bank of New York.
(4) A securities broker-dealer, registered under Minn. Stat. § 80A, regulated by the Securities and Exchange Commission and maintaining SIPC insurance and excess SIPC insurance on the value of County securities held.

The County's ownership of all securities must be evidenced by written acknowledgements identifying the securities by the names of issuers, maturity dates, interest rates, CUSIP numbers, or other distinguishing marks.

Anoka County contracts with an authorized third party institution for safekeeping. All County investment securities were properly safe kept, at December 31, 2018.

Interest Rate Risk. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County minimizes their exposure to interest rate risk by investing in both shorter and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. County policy limits maximum maturity/average life to fifteen years for individual investments and ten years for the total portfolio.

Credit Risk. Generally credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the County's policy to invest only in securities that meet the ratings requirements set by State Statute. Minnesota State Statute permits the following investments: United States securities; state or local government general obligation securities rated "A" or better; state or local government revenue obligation securities rated "AA" or better; Minnesota Housing Finance Agency general obligation securities rated "A" or better; highest rated commercial paper issued by United States corporations; time deposits insured by Federal Deposit Insurance Corporation (FDIC); specified mortgage-backed securities; and temporary general bonds.

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County's policy states all investment securities purchased by the County shall be held in safekeeping by a third-party designated institution for the County. As of December 31, 2018, the County's investments were not exposed to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss to the portfolio related to the volume/quantity of the investments with a single issuer should that issuer fail. The investment policy of Anoka County limits concentration by security type to encourage a properly diversified portfolio.

There were no investments in any one issuer that represent 5% or more of the County's investments as of December 31, 2018.

The primary objective of the County investment policy is capital preservation and liquidity. To achieve this goal, while enhancing returns and improving diversification, the portfolio is divided into multiple liquidity pools consisting of short, medium and core investment portfolios. The pools are assigned differing maturity and duration requirements, with the most liquid portions of the portfolio administered in-house and the core reserve portfolio assigned to select asset managers.

(1) The core reserve portfolio pool will have a longer time horizon and will not be needed to fund current operations. The funds in this pool are comprised of reserve funds, which are managed on a total return basis.

(2) The liquidity reserve portfolio is a pool comprised of investments of shorter maturities, which may be needed to fund temporary shortfalls in operating cash flows. The pool size is varied to meet changing liquidity circumstances and laddered to assure even maturities over time to supplement short liquidity positions.

(3) The current cash flow or liquidity portion of the portfolio is intended to balance cash flow timing with current and statutory payment obligations. Investment maturities are matched with current liabilities and payables.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

The following table presents the County's investment balances at December 31, 2018, and information relating to potential investment risks:

Investment Type	Credit Rating	Rating Agency	Custodial Risk	% to Total Portfolio	Less than 1 year	1 to 5 years	More than 5 years	Total
U.S. Government Agency securities								
Farmer Mac USDA (FAMC)	N/A	N/A	Custody	4.58%	$ 6,108,525	$ 8,075,252	$ 151,643	$ 14,335,420
Federal Farm Credit Bank (FFCB)	Aaa/AA+	M, S&P	Custody	3.12%	-	9,749,560	-	9,749,560
Federal Home Loan Bank (FHLB)	Aaa/AA+	M, S&P	Custody	2.46%	-	7,705,932	-	7,705,932
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa/AA+	M, S&P	Custody	4.16%	3,018,967	9,650,853	346,344	13,016,164
Federal National Mortgage Association Note (FNMA)	Aaa/AA+	M, S&P	Custody	4.55%	745,983	7,336,648	6,145,098	14,227,729
Financing Corporation (FICO)	Aaa/AA+	M, S&P	Custody	0.63%	-	1,971,886	-	1,971,886
Government National Mortgage Association (GNMA)	Aaa/AA+	M, S&P	Custody	1.07%	-	-	3,353,095	3,353,095
Small Business Association (SBA)	Aaa/AA+	M, S&P	Custody	0.02%	-	69,549	-	69,549
Tennessee Valley Authority (TVA)	Aaa/AA+	M, S&P	Custody	1.93%	-	6,051,960	-	6,051,960
Total U.S. Government Agency Securities				22.52%	9,873,475	50,611,640	9,996,180	70,481,295
U.S. Treasury Securities (UST)	Aaa/AA+	M, S&P	Custody	2.47%	-	3,833,236	3,884,641	7,717,877
Municipal securities								
State of Connecticut	A1/A	M, S&P	Custody	1.07%	149,612	1,228,981	1,963,800	3,342,393
State of Florida	Aa3/AA	M, S&P	Custody	0.37%	1,146,665	-	-	1,146,665
State of Georgia	Aaa/AAA	M, S&P	Custody	1.43%	1,998,560	2,480,316	-	4,478,876
State of Hawaii	Aa1/AA+	M, S&P	Custody	0.17%	-	538,815	-	538,815
State of Massachusetts	Aa1/AA	M, S&P	Custody	0.45%	-	991,610	420,437	1,412,047
State of Michigan	Aa1/AA	M, S&P	Custody	0.03%	103,389	-	-	103,389
State of Minnesota	Aa1/AAA	M, S&P	Custody	0.84%	716,494	1,897,533	-	2,614,027
State of Montana	Aa3/A+	M, S&P	Custody	0.14%	-	448,106	-	448,106
State of Pennslyvania	Aa3/A+	M, S&P	Custody	0.16%	-	510,580	-	510,580
State of Washington	Aa1/AA+	M, S&P	Custody	0.63%	-	1,977,620	-	1,977,620
State of Wisconsin	Aa2/AA-	M, S&P	Custody	0.06%	-	193,492	-	193,492
Bergin County, New Jersey	MIG1/NR	M, S&P	Custody	0.64%	1,997,580	-	-	1,997,580
Hubbard County, Minnesota	Aa3/NA	M, S&P	Custody	0.63%	-	-	1,964,443	1,964,443
King County, Washington	Aaa/AAA	M, S&P	Custody	0.05%	-	164,746	-	164,746
Monroe County, Michigan	NR/AA	M, S&P	Custody	0.03%	-	99,875	-	99,875
Oklahoma County ISD, Oklahoma	NR/AA-	M, S&P	Custody	1.61%	-	5,022,500	-	5,022,500
Travis County, Texas	Aaa/AAA	M, S&P	Custody	0.11%	-	346,150	-	346,150
Williamson County, Texas	NR/AAA	M, S&P	Custody	0.31%	-	-	965,130	965,130
City of Albuquerque, New Mexico	Aa2/AAA	M, S&P	Custody	0.10%	-	328,353	-	328,353
City of Baltimore, Maryland	Aa2/AA	M, S&P	Custody	0.06%	-	200,920	-	200,920
City of Becker, Minnesota	Aa1/NR	M, S&P	Custody	0.43%	-	1,337,050	-	1,337,050
City of Blaine, Minnesota	NR/AA+	M, S&P	Custody	0.38%	-	1,180,084	-	1,180,084
City of Bloomington, Illinois	Aa2/NR	M, S&P	Custody	0.11%	345,121	-	-	345,121
City of Bloomington, Minnesota	Aaa/AAA	M, S&P	Custody	0.26%	404,405	403,239	-	807,644
City of Boston, Massachusetts	Aaa/AAA	M, S&P	Custody	0.03%	-	101,546	-	101,546
Brainerd ISD, Minnesota	NR/AAA	M, S&P	Custody	2.20%	-	6,899,616	-	6,899,616
City of Columbus, Minnesota	A1/NR	M, S&P	Custody	0.32%	-	-	1,003,340	1,003,340
City of Duluth, Minnesota	Aa2/AA	M, S&P	Custody	0.36%	455,041	682,530	-	1,137,571
City of Fargo, North Dakota	Aa1/NR	M, S&P	Custody	0.44%	434,742	441,976	496,163	1,372,881
City of Houston, Texas	Aa3/NR	M, S&P	Custody	0.19%	-	-	604,998	604,998
City of Lino Lakes, Minnesota	NR/AA+	M, S&P	Custody	0.46%	489,329	933,862	-	1,423,191
City of Lubbock, Texas	Aa2/AA+	M, S&P	Custody	0.13%	-	409,099	-	409,099
City of Marshfield, Wisconsin	Aa3/NR	M, S&P	Custody	0.38%	-	744,504	429,954	1,174,458
City of Milwaukee, Wisconsin	NR/AA	M, S&P	Custody	0.58%	830,216	-	991,290	1,821,506
City of New Orleans, Louisiana	A2/AA	M, S&P	Custody	0.32%	-	-	999,810	999,810
City of Owensboro Kentucky	A2/NR	M, S&P	Custody	0.57%	-	1,793,100	-	1,793,100
City of Omaha, Nebraska	Aa2/AA+	M, S&P	Custody	0.06%	-	-	194,290	194,290
City of Pittsburgh, Pennsylvania	A1/A+	M, S&P	Custody	0.13%	-	416,064	-	416,064
City of Portsmouth, Virginia	Aa2/AA	M, S&P	Custody	0.64%	-	2,013,760	-	2,013,760
City of Seattle, Washington	Aaa/AAA	M, S&P	Custody	0.13%	-	420,393	-	420,393
St. Paul ISD 625, Minnesota	Aa2/AAA	M, S&P	Custody	0.32%	999,390	-	-	999,390
City of Suffolk, Virginia	Aa1/AAA	M, S&P	Custody	0.05%	149,921	-	-	149,921
Arlington ISD, Texas	Aaa/AAA	M, S&P	Custody	0.16%	-	489,695	-	489,695
Arkansas Development Finance Authority, Arkansas	NR/AA	M, S&P	Custody	0.80%	-	2,515,465	-	2,515,465
Berkeley County ISD, South Carolina	Aa1/AA	M, S&P	Custody	0.49%	-	1,543,290	-	1,543,290
University of California, California	Aa2/AA	M, S&P	Custody	0.14%	249,423	177,656	-	427,079
California State University, California	Aa2/AA-	M, S&P	Custody	0.09%	-	277,192	-	277,192
Cincinnati City School District, Ohio	Aa2/NR	M, S&P	Custody	0.11%	-	-	345,586	345,586
Dallas Texas Waterworks and Sewer	NR/AAA	M, S&P	Custody	0.16%	-	487,505	-	487,505
Denver City and County, Colorado	Aa3/AA-	M, S&P	Custody	0.10%	-	297,408	-	297,408
Denver City and County School District, Colorado	Aa1/AA+	M, S&P	Custody	0.72%	-	1,990,440	250,060	2,240,500
Desert Sands Unified School District, California	Aa2/AAA	M, S&P	Custody	0.11%	-	351,302	-	351,302
East Bay Municipal Utility District, California	Aa2/AAA	M, S&P	Custody	0.11%	-	332,893	-	332,893
Hurst Euless Bedford School District, Texas	NR/AAA	M, S&P	Custody	0.22%	-	694,155	-	694,155
Idaho State Building Authority, Idaho	Aa2/AA	M, S&P	Custody	0.08%	-	258,814	-	258,814
Los Angeles Community College, California	Aa1/AA+	M, S&P	Custody	0.06%	-	198,734	-	198,734
Port of Houston Authority of Harris County, Texas	NR/AAA	M, S&P	Custody	0.14%	-	424,864	-	424,864
Morgan Hill Unified School District, California	Aa1/NR	M, S&P	Custody	0.10%	-	298,335	-	298,335
Moundsview ISD, Minnesota	NR/AAA	M, S&P	Custody	0.58%	-	-	1,810,548	1,810,548
Nashwauk Keewatin ISD, Minnesota	Aa2/NR	M, S&P	Custody	0.07%	-	232,046	-	232,046
New York City Transitional Finance Authority, New York	Aa1/AAA	M, S&P	Custody	0.80%	-	553,740	1,935,360	2,489,100
Reeths-Puffer Schools County of Muskegon, Michigan	Aa1/NR	M, S&P	Custody	0.14%	-	446,796	-	446,796
Bridgewater Raritan Regional School District, New Jersey	NR/AA+	M, S&P	Custody	0.09%	-	267,968	-	267,968
Sacramento Surburban Water District, California	NR/AA+	M, S&P	Custody	0.06%	-	-	202,624	202,624
Texas Tech University, Texas	Aa1/AA+	M, S&P	Custody	0.13%	-	397,000	-	397,000
Upper Oconee, Basin Water Authority, Georgia	Aa2/NR	M, S&P	Custody	0.13%	-	400,552	-	400,552
Total Municipal Securities				22.97%	10,469,888	46,842,270	14,577,833	71,889,991
Commercial Paper				1.67%	5,219,454	-	-	5,219,454
Negotiable Certificates of Deposits				0.62%	-	1,948,137	-	1,948,137
Certificates of Deposits				2.21%	-	6,912,000	-	6,912,000
Money Market Funds				0.81%	2,524,790	-	-	2,524,790
Local Government Investment Pools				26.92%	84,253,958	-	-	84,253,958
Index Fund								
Other Postemployment Benefit (OPEB) Trust Accounts			Custody	19.81%	61,978,650	-	-	61,978,650
Portfolio Total				100.00%	$ 174,320,215	$ 110,147,283	$ 28,458,654	$ 312,926,152
Investments held in escrow								$ 3,269,255
Total Investments								$ 316,195,407

N/A - Not Applicable
NR - Not Rated

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs.

At December 31, 2018, the County had the following recurring fair value measurements:

	December 31, 2018	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Government agencies	$ 73,020,888	$ -	$ 73,020,888	$ -
U.S. Treasury securities	7,717,877	7,717,877	-	-
Money Market Funds	32,760	32,760	-	-
Municipal bonds	71,889,991	-	71,889,991	-
Corporate issues	302,456	-	302,456	-
Negotiable Certificates of Deposits	1,948,137	-	1,948,137	-
Total debt securities	154,912,109	7,750,637	147,161,472	-
Investments measured at the net asset value (NAV)				
Commercial Paper	5,219,454			
Certificates of Deposit	6,912,000			
MAGIC Portfolio	37,253,958			
MAGIC Term	47,000,000			
Money Market Funds	2,919,236			
Total Investments measured at NAV	99,304,648			
Total Investments	$ 254,216,757			

Debt securities classified in Level 1 are valued using a market approach quoted in active markets for those securities.
Debt securities classified in Level 2 are valued using the following approaches:

(a) U.S. Treasuries, and U.S. Agencies: a market approach by utilizing prices for identical securities in markets that are not active;
(b) Corporate and municipal bonds: a market approach using quoted prices for similar securities in active markets;
(c) Money market and negotiable certificates of deposit: a market approach using published fair value per share (unit) for each fund;

The Minnesota Association of Governments Investing for Counties (MAGIC) is a local government investment pool which is quoted at a net asset value (NAV). The County invests in this pool for the purpose of the joint investment of the County's money with those of other counties to enhance the investment earnings accruing to each member. The MAGIC fund currently consists of the MAGIC Portfolio, MAGIC Term Series, and MAGIC Certificates of Deposit.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

Shares of MAGIC Term Series are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely they must provide notice at least 7 days prior to the premature redemption date. The value of a premature redemption is equal to the original price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

The County invests in money market funds for the benefit of liquid investments that can be readily re-invested. Money market funds held by the County seek a constant net asset value (NAV) of $1.00 per share. The money market fund reserves the right to require three or more days' prior notice before permitting withdrawals. The County invests in commercial paper through sweep accounts. The commercial paper sweep accounts are daily liquid security funds that may be accessed at any time. These accounts are interest bearing, and the value of the investment is the balance plus any accrued interest at any point in time.

The County also holds $61,978,650 in the Internal Equity Pool with the State Board of Investment, an external investment pool. The fair value of the investment is the fair value per share of the underlying portfolio. Pursuant to Minn. Stat. § 471.6175, the County may only redeem these funds for the use of postemployment benefits. The County invests in this pool due to the increased investment authority, historically high rate of return on investments, and the reduction of the postemployment benefit liability recorded in its financial statements.

2. Receivables

a. Property Tax Receivable

Taxes which remain unpaid at December 31 are delinquent. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

Current property tax collections for the year ended December 31, 2018, were 99.39 percent (Table 8) of the current levy, which was a sufficient amount to finance the 2018 budget. Each year, the County tax levy for debt service on bonded indebtedness is set at 105 percent of the debt service required for that year, less available debt service reserves.

b. Accounts Receivable

Accounts receivable include an allowance for doubtful accounts. Total accounts receivable for the year ended December 31, 2018, were $6,495,193 and the allowance for doubtful accounts was $3,853,384 resulting in a net effect of $2,641,809.

c. Loans Receivable

Loans receivable include an allowance for doubtful accounts.

The following is a summary of outstanding loans made to private enterprises and individuals as of December 31, 2018:

	Original Loan Amount	Balance Repaid at December 31, 2018	Outstanding Balance - December 31, 2018	Term (Years)	Interest Rate (%)
General Fund					
Anoka County/Blaine Airport - Northwest Building	$ 209,392	$ 55,491	$ 153,901	20	5.00
Various forfeited tax sale contracts for repurchase	747,659	410,834	336,825	Various	Various
Total General Fund	957,051	466,325	490,726		
Special Revenue Funds					
Community Development					
Loan programs	5,340,918	1,693,062	3,647,856	Various	Various
Less: Allowance for uncollectible loans	-	1,063,731	(1,063,731)		
Total Community Development, net of allowance	5,340,918	2,756,793	2,584,125		
Total Loans Receivable	$ 6,297,969	$ 3,223,118	$ 3,074,851		
Due within one year			$ 526,682		

3. Detailed Notes on All Funds

A. Assets

2. Receivables (Continued)

d. Leases Receivable

Anoka County has leased portions of the Anoka County Human Service Center to the State of Minnesota and various community-based non-profit organizations to be used for office space. There are six lease agreements, which expire June 30, 2019, with an automatic 2-year extension. Tenants pay rent in monthly installments, in advance, on the first day of every month during the term of their lease. Rent is recorded as revenue when received.

Anoka County has subleased portions of the Northwest Building Area at the Anoka County/Blaine Airport from the Metropolitan Airports Commission (MAC). There are several lease agreements, with various expiration dates at a rate determined by MAC. Rent is recorded as revenue when received.

Anoka County has leased the Ice Arena to the National Sports Center Foundation (NSCF) for twenty years starting March 15, 2006, and ending March 15, 2026. NSCF pays annual lease amounts that equal the annual debt service (principal plus interest) for the lease revenue bonds less any accrued interest earnings from the trust account, which has a portion of the original issue proceeds in reserve, plus any trustee expenses incurred, and an annual payment to a repair and replacement fund, directly to the trustee. Taxes and other governmentally imposed fees or charges imposed on the leased property are paid to the County as assessed.

Anoka County has leased the Metropolitan Mosquito Control District Project to the Metropolitan Mosquito Control District (MMCD) for approximately fifteen years starting November 27, 2007, and ending February 1, 2023. MMCD pays annual lease amounts that equal the annual debt service (principal plus interest) for the certificates of participation less any accrued interest earnings from the trust account, which has a portion of the original issue proceeds in reserve, plus any trustee expenses, rebate fees and payments, taxes or other charges, and fees for any administrative costs incurred.

Anoka County has leased the ACCAP residences to the Anoka County Community Action Program, Incorporated, for eighteen years starting July 1, 2010, and ending June 1, 2028. ACCAP pays annual lease amounts that equal the annual debt service (principal plus interest) for the certificates of participation less any accrued interest earnings from the trust account, which has a portion of the original issue proceeds in reserve, plus any trustee expenses incurred.

Amounts due under the Ice Arena, Metropolitan Mosquito Control District Project, and ACCAP residences lease agreements have been recorded as leases receivable and unearned revenue in the General Fund at December 31, 2018. The amounts for 2019 are considered current and due within one year. Amounts remaining to be paid are as follows:

Year Due	Ice Arena	MMCD Project	ACCAP Residences	Total
2019	$ 466,963	$ 243,975	$ 162,836	$ 873,774
2020	460,887	245,081	163,253	869,221
2021	459,775	245,675	163,311	868,761
2022	463,550	245,831	163,000	872,381
2023	461,150	245,400	162,096	868,646
2024-2028	1,648,650	-	808,127	2,456,777
Total	$ 3,960,975	$ 1,225,962	$ 1,622,623	$ 6,809,560
Due within one year	$ 466,963	$ 243,975	$ 162,836	$ 873,774

3. Detailed Notes on All Funds

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 218,433,153	$ 5,588,401	$ (2,030,470)	$ 221,991,084
Construction in progress	64,323,052	16,096,380	(8,807,582)	71,611,850
Total capital assets, not being depreciated	282,756,205	21,684,781	(10,838,052)	293,602,934
Capital assets, being depreciated:				
Buildings and structures	241,115,358	3,785,189	(536,384)	244,364,163
Improvements other than buildings	32,572,242	139,713	-	32,711,955
Machinery and equipment	60,705,601	4,803,196	(3,000,673)	62,508,124
Infrastructure	498,444,965	5,566,232	(1,087,234)	502,923,963
Software	7,898,120	210,651	(100,000)	8,008,771
Total capital assets being depreciated	840,736,286	14,504,981	(4,724,291)	850,516,976
Less accumulated depreciation for:				
Buildings and structures	(82,114,871)	(5,343,343)	332,303	(87,125,911)
Improvements other than buildings	(17,268,573)	(1,406,796)	-	(18,675,369)
Machinery and equipment	(37,487,418)	(4,878,473)	2,599,302	(39,766,589)
Infrastructure	(136,525,504)	(9,968,899)	503,476	(145,990,927)
Software	(4,338,284)	(601,181)	62,500	(4,876,965)
Total accumulated depreciation	(277,734,650)	(22,198,692)	3,497,581	(296,435,761)
Total capital assets, being depreciated, net	563,001,636	(7,693,711)	(1,226,710)	554,081,215
Governmental activities capital assets, net	$ 845,757,841	$ 13,991,070	$ (12,064,762)	$ 847,684,149

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 4,275,219
Public safety	2,945,015
Highways and streets, including depreciation of general infrastructure assets	11,784,332
Human services	129,987
Sanitation	15,234
Culture and recreation	2,582,197
Economic development	466,708
Total depreciation expense - governmental activities	$ 22,198,692

Construction in progress at December 31, 2018, comprises the to-date costs of the following projects:

Highway infrastructure	$ 64,295,872
Parks/Library improvement projects	5,150,815
Attorney case management	130,245
Tri-Tech jail management system	1,940,386
Miscellaneous building remodels	22,544
Radio shop/towers security cam	71,391
RJC core security system	597
Total construction in progress	$ 71,611,850

3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2018, was as follows:

1. Due From and To Other Funds

	Receivable	Payable	Description
Major Governmental Funds			
General Fund	$ 1,320,000	$ -	Short term loan
Nonmajor Governmental Funds			
Special Revenue Funds			
Job Training Center	-	350,000	Short term loan
Leasehold Properties	-	64,000	Short term loan
Total Nonmajor Governmental Funds	-	414,000	
Internal Service Funds			
Central Fleet	-	906,000	Short term loan
Total Due From and To Other Funds	$ 1,320,000	$ 1,320,000	

2. Advances To and From Other Funds

Advances to the Parks and Recreation Special Revenue Fund include loans for golf course operations and a land purchase. Advances to the General Fund include the purchase of voting equipment for the Elections department. Advances to the Housing and Redevelopment Authority Fund include loans as part of a debt restructure. Departments repay these advances annually as part of their operating budget at a specified interest rate and term.

	Advances To	Advances From
Capital Projects Fund	$ 987,484	$ -
General Fund	-	209,575
Special Revenue Funds		
Housing and Redevelopment Authority	-	538,927
Parks and Recreation	-	238,982
Total Advances To and From Other Funds	$ 987,484	$ 987,484

3. Detailed Notes on All Funds

B. Interfund Receivables, Payables and Transfers (Continued)

3. Interfund Transfers

Interfund transfers for the year ended December 31, 2018, consisted of the following:

	Transfers in	Description
Major Governmental Funds		
Transfers to General Fund from:		
Human Services	$ 111,134	Voluntary separation program
Capital Projects	34,275	Vehicle purchase
Capital Projects	30,171	Economic development specialist position
County Library	61,217	Voluntary separation program
Parks and Recreation	13,200	Voluntary separation program
Road and Bridge	71,500	Voluntary separation program
Total General Fund	321,497	
Transfers to Road and Bridge Fund from:		
Capital Projects	7,327,950	Roadway development
Transfers to Human Services Fund from:		
Capital Projects	46,030	CIP projects
Transfers to Debt Service Fund from:		
General Fund	911,729	Lease revenue debt payments
Regional Railroad Authority	1,768,743	Transfer for debt service
Housing and Redevelopment Authority	1,345,537	Debt service allocation from operations
Total Debt Service Fund	4,026,009	
Transfers to Capital Projects Fund from:		
General Fund	3,508,896	Recorder's technology and compliance fees
General Fund	1,110,739	Future capital projects
Human Services	3,990,000	Future capital projects
County Library	500,000	Future capital projects
Total Capital Projects Fund	9,109,635	
Transfers to other Governmental Funds from:		
Various funds	7,030,108	Miscellaneous
Total Transfers in: All Funds	$ 27,861,229	

C. Liabilities and Deferred Inflows of Resources

1. Payables

Payables at December 31, 2018, were as follows:

	Governmental Activities
Accounts	$ 3,400,305
Salaries	3,856,643
Contracts	2,791,346
Due to other governments	5,342,396
Matured interest	1,801,594
Total payables	$ 17,192,284

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

2. Unearned Revenues/Deferred Inflows of Resources

Unearned revenues and deferred inflows of resources consist of unavailable revenue arising from taxes receivable, state and federal grants, installment loans and other items that are not collected soon enough after year-end to pay liabilities of the current year as well as state and federal grants, leases, and other items that have been received but not yet earned. Unearned revenues and deferred inflows of resources at December 31, 2018, are summarized below by fund:

	Taxes	Grants	Installment Loans	Leases	Other	Total
Major Governmental Funds						
General	$ 993,633	$ 519,225	$ 490,726	$ 6,809,560	$ 303,557	$ 9,116,701
Road and Bridge	110,033	11,688	-	-	17,061,904	17,183,625
Human Services	406,312	229,888	-	-	470,612	1,106,812
Debt Service	1,192	-	-	-	-	1,192
Capital Projects	1,968	-	-	-	-	1,968
Total Major Governmental Funds	1,513,138	760,801	490,726	6,809,560	17,836,073	27,410,298
Nonmajor Governmental Funds	181,555	2,017,858	2,584,126	-	83,050	4,866,589
Total All Funds	$ 1,694,693	$ 2,778,659	$ 3,074,852	$ 6,809,560	$ 17,919,123	$ 32,276,887
Liability						
Unearned revenue	$ -	$ 2,275,697	$ -	$ -	$ 857,219	$ 3,132,916
Deferred Inflows of Resources						
Unavailable revenue	1,694,693	502,962	3,074,852	6,809,560	17,061,904	29,143,971
Totals	$ 1,694,693	$ 2,778,659	$ 3,074,852	$ 6,809,560	$ 17,919,123	$ 32,276,887

3. Contract Commitments

The County has entered into several contract commitments which have not been completed as of December 31, 2018. Following is a list of these projects and the corresponding amounts to be completed:

Major Governmental Funds	
Special Revenue Funds	
Road and Bridge	
Various road projects	$ 17,113,799
Capital Projects Fund	
Building projects	4,219,158
Elevators	4,946
Security systems	2,381
Public Safety Data System	309,684
System projects	5,144,062
Total Capital Projects Fund	9,680,231
Total All Funds	$ 26,794,030

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB)

Plan Description

In addition to providing a pension benefits plan, the County provides postemployment health care and life insurance benefits (OPEB) for eligible retired employees, spouses and dependents through a single employer defined benefit plan. The benefits, benefits level, employee contribution and employer contribution are administered by the County Commissioners and can be amended by the County through its personnel manual and union contracts. The Anoka County Board of Commissioners consists of seven elected commissioners from the seven districts in the County and one appointed County Administrator. The plan is accounted for as an irrevocable trust fund. A separate report is not issued for the plan.

Anoka County established an OPEB irrevocable trust, pursuant to MN Statutes, § 471.6175, to prefund a portion of the OPEB liability. The Public Employees Retirement Association (PERA) serves as the trust administrator for the irrevocable trust account.

The irrevocable trust is reported in the Statement of Fiduciary Net Position, Other Postemployment Benefits Trust Fund. This financial statement is prepared using the full accrual basis of accounting.

Contributions to the plan are recognized when due and the County has made a commitment to provide the contributions. The fair value of investments is determined by the Minnesota State Board of Investment.

Participants or Plan Membership

Participants of the plan consisted of the following at December 31, 2017, the date of the actuarial valuation:

Inactive employees and spouses currently receiving benefit payments	863
Inactive employees and spouses entitled to but not currently receiving benefit payments	66
Active employees	1,714
	2,643

Benefits Provided

Pursuant to Minn. Stat. § 471.61, subd 2a, Anoka County provides postemployment health care and life insurance benefits to retired employees, disabled retirees or survivors of deceased employees who were hired prior to January 6, 2007. Employees first hired after January 5, 2007 are generally not eligible for employer contributions for retiree health care, except through arbitration rulings. These employees with less than 10 years of service may continue to participate in the county's life, health, and dental insurance upon retirement but must pay the entire premium charged by the appropriate carrier to continue participation. The County contribution is graduated based on the employee's years of service. The minimum contribution is based on ten years of service and the maximum contribution is achieved at more than 30 years of service.

Additionally, the County provides benefits to retirees as required by Minn. Stat. § 471.61, Subd.2(b). All medical health care benefits are provided through the County's health insurance provider and are the same as those afforded to active employees. Benefits include medical services and prescriptions. A $2,000 group-term life insurance coverage is provided for the retiree and is fully paid for by the County. The County's total OPEB liability of $85,234,197 was measured as of December 31, 2018 and was determined with a valuation date as of December 31, 2017.

Contributions to the plan are recognized when due and the County has made a commitment to provide the contributions per union contacts and the personnel policy as stated below in Funding Policy and Contributions.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Actuarial Methods and Assumptions

The County's total OPEB liability of $85,234,197 was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal level percent of pay
Inflation	2.75 percent
Investment rate of return	7.00 percent
Healthcare cost trend rates Pre-65	8.50 percent for 2018, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent
Healthcare cost trend rates Post-65	6.00 percent for 2018, decreasing 0.25 percent per year to an ultimate rate of 5.0 percent for 2022 and later years

The investment rate of return was valued using an assumption of 7.0 percent. The OPEB plan's fiduciary net position is projected to be sufficent to make all projected benefit payments, so therefore the discount rate used to value liablities is the long-term expected rate of return of 6.0 percent for future valuations. Cash flows into the plan equal the average contributions from Anoka County over the last 5 years. Benefit payments were projected based on the assupmtions and methods disclosed in the December 31, 2018 GASB valuation report.

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Mortality rates were based on the RP-2014 employee mortality table for Males or Females, as appropriate, with adjustments for mortality improvements based on scale MP-2015.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2015 to December 31, 2017.

Funding Policy and Contributions

The fair value of investments is determined by the Minnesota State Board of Investment.

The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. All eligible retirees with less than 10 years of service contribute 100% of the premium to the plan. For retirees with 10 to 15 years of service, the County contributes 50% of the single contribution made for active employees plus $2.65 per month towards family coverage for each year of service of the retiree. For retirees with more than 16 years of service, the County contributes 100% of the single contribution made for active employees plus a graduated dollar amount towards family coverage based on the retiree's years of service. For the fiscal year ending December 31, 2018, the County contributed $3,734,995 and the retirees contributed $1,351,796 toward the cost of their healthcare coverage.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Total OPEB Liability

The components of the net OPEB liability of Anoka County at December 31, 2018, were as follows:

Total OPEB Liability	$ 85,234,197
Plan fiduciary net position	60,335,103
Net OPEB liability (asset)	$ 24,899,094
Plan fiduciary net position as a percentage of the total OPEB liability	70.8%
Covered-employee payroll	$ 110,100,000
Net OPEB liability (asset) as a percentage of covered-employee payroll	22.6%

Investments

The OPEB investments are held in an irrevocable trust and invested 100% by the Minnesota State Board of Investment in an OPEB Internal Equity Pool. The County's investment policy delegates investment policy decisions to the Finance and Central Services Division Manager, including asset allocation. The policy can only be amended by the County Board.

Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on investments, net of investment expense, was -4.32 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 1/1/18	$ 79,614,472	$ 64,741,505	$ 14,872,967
Changes for the year:			
Service cost	1,888,706	-	1,888,706
Interest	5,574,498	-	5,574,498
Difference between expected and actual experience	(2,635,326)	-	(2,635,326)
Changes of assumptions	4,526,842	-	4,526,842
Contributions - employer	-	2,091,448	(2,091,448)
Net investment income (loss)	-	(2,758,513)	2,758,513
Benefit payments	(3,734,995)	(3,734,995)	-
Administrative expense	-	(4,342)	4,342
Net change	5,619,725	(4,406,402)	10,026,127
Balance at 12/31/18	$ 85,234,197	$ 60,335,103	$ 24,899,094

The following changes in assumptions affected the measurement of the total pension liability since the prior measurement date. The discount rate was lowered from 7.0 percent to 6.0 percent, the healthcare cost trend rates were updated, as well as other assumptions from the PERA valuations. There were no changes in plan provisions, cost allocation procedures, or methods from the previous measurement.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rates

The following presents the net OPEB liability of Anoka County as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1.0 percentage point lower or 1.0 percentage point higher than the current discount rates.

	1% Increase	Current Discount Rate	1% Decrease
Total OPEB Liability	$ 76,376,333	$ 85,234,197	$ 95,805,452
Plan fiduciary net position	60,335,103	60,335,103	60,335,103
Net OPEB Liability	$ 16,041,230	$ 24,899,094	$ 35,470,349

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the net OPEB liability of Anoka County as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.0 percentage point lower or 1.0 percentage point higher than the current healthcare cost trend rates.

	1% Increase	Current Trend Rates	1% Decrease
Total OPEB Liability	$ 98,241,168	$ 85,234,197	$ 74,623,024
Plan fiduciary net position	60,335,103	60,335,103	60,335,103
Net OPEB Liability	$ 37,906,065	$ 24,899,094	$ 14,287,921

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available on Exhibit 10 of this document.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018 the County recognized OPEB expense of $970,252. At December 31, 2018, the County reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Balances at December 31, 2018	
Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 2,282,032
Changes of assumptions	3,919,969	-
Net difference between projected and actual earnings on investments	890,962	-
Total	$ 4,810,931	$ 2,282,032

Amounts reported as deferred outflows of resources and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year	Amount
2019	$ 68,383
2020	68,383
2021	68,383
2022	1,700,127
2023	253,581
Thereafter	370,042

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits (Continued)

b. Vacation and Sick Leave

County employees represented by bargaining units are granted vacation, in varying amounts, depending on contractual agreement and length of service. All union employees accumulate one day of sick leave per month.

Unused accumulated vacation and vested sick leave are paid to employees upon termination. Unvested sick leave, valued at $651,913 at December 31, 2018, is available to union employees in the event of illness-related absences, and is not paid to them at termination.

c. Flexible Time Off and Extended Medical Benefit

Non-organized employees vacation and sick time was converted to Flexible Time Off (FTO), and Extended Medical Benefit (EMB) hours as part of the October 2001 implementation of the Anoka County Preferred Benefit Plan.

Vacation hours were converted to FTO hours and are vested. The amount of FTO hours a full time employee earns ranges from 24 to 33 days per year depending on years of service performed. Part time employees are pro-rated based on their full time equivalent (FTE) and years of service.

The unvested sick leave hours were converted to EMB hours. These hours are not vested and are valued at $19,942,889 on December 31, 2018. EMB hours are available for use in times of illness, after using 40 FTO or leave without pay hours. Full time employees accrue eight days of EMB per year, and part time employees receive a pro-rated amount based on their full time equivalent.

5. Operating Leases

The County currently has 13 operating leases. The County made operating lease payments totaling $532,909 in 2018. The following is a schedule of future minimum operating lease payments:

Year Due	Lease Payments
2019	$ 498,903
2020	478,620
2021	411,119
2022	377,114
2023	273,297
2024-2028	1,104,931
2029-2030	48,876
Total	$ 3,192,860

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

6. Long-Term Debt - Bonds and Notes

The following is a summary of Anoka County's long-term bonded debt transactions for its governmental activities for the year ended December 31, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Lease Revenue Obligations	$ 2,645,000	$ -	$ (290,000)	$ 2,355,000	$ 300,000
General Obligation Bonds and Notes	107,620,000	9,970,000	(27,685,000)	89,905,000	18,065,000
General Obligation Bonds Supported by Revenue	18,970,000	1,450,000	(3,020,000)	17,400,000	1,545,000
Limited Tax Bonds	24,310,000	-	(1,315,000)	22,995,000	1,340,000
Total Debt	153,545,000	11,420,000	(32,310,000)	132,655,000	21,250,000
Issuance premiums	7,223,076	855,900	(1,340,330)	6,738,646	-
Issuance discounts	(31,238)	-	3,326	(27,912)	-
Net Debt	$ 160,736,838	$ 12,275,900	$ (33,647,004)	$ 139,365,734	$ 21,250,000

Refunding Bond and Note Disclosures

On January 30, 2018, the County issued $1,450,000 General Obligation Housing Development Revenue Refunding Bonds, Series 2018A; with an interest rate of 2.50 percent to refund $1,515,000 of the outstanding City of Ham Lake Refunding Bonds, Series 2008A with an average interest rate of 4.15 percent. The net proceeds of the 2018A bonds were used to refund the 2008A bonds on February 1, 2018. The County refunded the 2008A bonds to reduce its total debt service payments by $203,435 and obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of $88,793.

On November 20, 2018, the County issued $6,855,000 General Obligation Refunding Bonds, Series 2018A; with an interest rate of 5.00 percent to refund $7,370,000 of the outstanding General Obligation Capital Improvement Bonds, Series 2009A with an average interest rate of 4.00 percent. The net proceeds of the 2018A bonds will be used to refund the 2009A bonds on February 1, 2019. The County refunded the bonds to reduce its total debt service payments by $520,652 and obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of $484,645.

Bonds and notes payable at December 31, 2018 comprise the following individual issues:

a. Lease Revenue Obligations:

$2,705,000 November 28, 2007 Metropolitan Mosquito Control District Project Certificates of Participation. These certificates mature in amounts ranging from $115,000 to $240,000 each February 1 in the years 2010 to 2023 with interest due each February 1 and August 1 at rates from 4.25 to 4.50 percent. Certificates maturing on or after February 1, 2018 are subject to redemption on February 1, 2017, and on any date thereafter at a price of par plus accrued interest. The bond was issued to fund new building construction and improvements to be used by the Metropolitan Mosquito Control District.	$ 1,100,000
$1,930,000 July 22, 2010 Taxable Refunding Certificates of Participation. These certificates mature in amounts ranging from $70,000 to $155,000 each June 1 in the years 2011 to 2028 with interest due each June 1 and December 1 at rates from 1.72 to 5.67 percent. Certificates maturing on or after June 1, 2018, are subject to redemption on June 1, 2019, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to refinance group homes and low income housing located in the City of Fridley.	1,255,000
Total Lease Revenue Obligations	$ 2,355,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes (Continued)

b. General Obligation Bonds and Notes:

$1,395,000 July 17, 2008 General Obligation Airport Improvement Bonds (AMT); serial bonds maturing in amounts ranging from $65,000 to $125,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 4.50 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund improvements to the Anoka County/Blaine Airport.	$	485,000
$18,310,000 February 19, 2009 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $1,000,000 to $1,620,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2020, are subject to redemption on February 1, 2019, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund building repair and maintenance, energy management improvements, library repair and rehabilitation, Bunker Beach expansion, reconstruction of interchange of Main Street (CSAH 14) at I-35E, construction of interchange on TH 242/CSAH 14 from Ulysses Street to Aberdeen Street, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116) from Main Street (CSAH 14) to TH 65.		8,640,000
$3,000,000 July 9, 2009 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $280,000 to $330,000 each February 1 in the years 2010 to 2019 with interest due each February 1 and August 1 at a rate of 3.50 to 4.00 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the construction of a Public Safety Campus facility.		330,000
$20,000,000 September 22, 2009 Taxable General Obligation OPEB Bonds: serial bonds maturing in amounts ranging from $1,430,000 to $2,235,000 each February 1, in the years 2011 to 2021 with interest due each February 1 and August 1 at a rate of 1.25 to 4.81 percent. Bonds maturing on or after February 1, 2020, are subject to redemption on February 1, 2019, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund a portion of the County's actuarial determined liabilities to pay other post-employment benefits under GASB Statement No. 45.		6,395,000
$1,485,000 December 9, 2009 General Obligation Recreational Refunding Bonds: serial bonds maturing in amounts ranging from $105,000 to $145,000 each February 1 in the years 2012 to 2023 with interest due each February 1 and August 1 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund improvements to the County's Bunker Hills Aquatic Center.		690,000
$4,030,000 July 14, 2010 General Obligation Bonds: serial bonds maturing in amounts ranging from $250,000 to $560,000 each February 1 in the years 2011 to 2020 with interest due each February 1 and August 1 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund building repair and maintenance, energy management improvements, and parking ramp and pavement restoration.		535,000
$8,180,000 September 29, 2011 General Obligation Bonds: serial bonds maturing in amounts ranging from $370,000 to $680,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 3.125 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund building repair and maintenance, renovation of the law enforcement range, construction at St. Francis Library, and expansion of the Highway Campus facility.		5,395,000
$13,880,000 February 23, 2012 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $785,000 to $1,155,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund reconstruction of Lexington Avenue (CSAH 17) from Main Street (CSAH 14) to north of Bunker Lake Boulevard (CSAH 116), reconstruction of Bunker Lake Boulevard (CSAH 116) from Sunfish Lake Boulevard (CSAH 57) to Germanium Street, expansion of the Highway Campus facility, and pavement reclamation and overlay.	$	9,020,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

$20,145,000 February 5, 2013 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $905,000 to $2,280,000 each February 1 in the years 2016 to 2029 with interest due each February 1 and August 1 at a rate of 3.00 percent. No redemption option is available. The original bonds were issued to fund airport safety improvements, energy management improvements, construction of a Public Safety Campus facility, purchase of land for the County morgue, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, and bridge and highway reconstruction.	$	13,915,000
$2,750,000 March 24, 2015 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $130,000 to $220,000 each February 1 and August 1 in the years 2018 to 2033 with interest due each February 1 and August 1 in the years of 2015 to 2033 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund airport land improvements.		2,620,000
$8,040,000 March 24, 2015 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $385,000 to $940,000 each February 1 and August 1 in the years 2018 to 2029 with interest due each February 1 and August 1 in the years of 2015 to 2029 at a rate of 2.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund reconstruction of Hanson Boulevard (CSAH 11)/TH 10 interchange.		7,240,000
$8,780,000 April 19, 2016 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $490,000 to $680,000 each February 1 and August 1 in the years 2019 to 2033 with interest due each February 1 and August 1 in the years of 2017 to 2033 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2026, are subject to redemption on February 1, 2025, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund court remodeling, Coon Lake Park improvements, and jail improvements.		8,780,000
$15,890,000 April 27, 2017 General Obligation Capital Improvement Refunding Bonds (2008A and 2008C): serial bonds maturing in amounts ranging from $855,000 to $1,815,000 each February 1 and August 1 in the years 2019 to 2030 with interest due each February 1 and August 1 in the years of 2017 to 2030 at a rate of 3.00 to 5.00 percent. Bonds maturing on or after February 1, 2027, are subject to redemption on February 1, 2026, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund the reconstruction of Hanson Boulevard (CSAH 11/TH 10) interchange, the construction of an interchange (TH 242/TH 65) in Blaine, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116) from Main Street (CSAH 14) to TH 65. The original bond also funded Medical Examiner office and morgue and Central Communications expansion.		15,890,000
$3,115,000 November, 20 2018 General Obligation Bonds: serial bonds maturing in amounts ranging from $250,000 to $370,000 each February 1 and August 1 in the years 2021 to 2030 with interest due each February 1 and August 1 in the years of 2019 to 2030 at a rate of 3.00 to 5.00 percent. Bonds maturing on or after February 1, 2028, are subject to redemption on February 1, 2027, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the remodel and expansion of the Centennial Library branch located in the City of Circle Pines.		3,115,000
$6,855,000 November, 20 2018 Refunding Bonds (2009A): serial bonds maturing in amounts ranging from $1,190,000 to $1,520,000 each February 1 and August 1 in the years 2020 to 2024 with interest due each February 1 and August 1 in the years of 2020 to 2024 at a rate of 5.00 percent. The refunding bonds will refund the original bond issued to fund building repair and maintenance, energy management improvements, library repair and rehabilitation, Bunker Beach expansion, reconstruction of interchange of Main Street (CSAH 14) at I-35E, construction of interchange on TH 242/CSAH 14 from Ulysses Street to Aberdeen Street, and reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116) from Main Street (CSAH 14) to TH 65.		6,855,000
Total General Obligation Bonds and Notes	$	89,905,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes (Continued)

c. General Obligation Bonds Supported by Revenue:

For each of the following bond issues, 100 percent of rental income equaling the amount of principal and interest payments due, has been pledged for debt retirement. These pledges extend throughout the life of each debt issuance. All General Obligation Bonds Supported by Revenues were issued for the purpose of constructing facilities. Below is a table of the terms relevant to each issuance which describes the pledged revenue coverages during 2018:

Debt Issuance	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
$3,200,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2009A	$ 610,800	$ 355,191	$ 255,609	$ 160,000	$ 75,108	$ 235,108	1.09
$5,750,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2011A	738,445	418,134	320,311	200,000	156,543	356,543	0.90
$3,170,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2011A	838,795	655,232	183,563	85,000	88,914	173,914	1.06
$5,230,000 Anoka County Housing and Redevelopment Authority Taxable General Obligation Refunding Bonds, Series 2012A **	580,965	-	580,965	505,000	62,312	567,312	1.02
$5,655,000 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds, Series 2012B**	491,850	-	491,850	400,000	67,000	467,000	1.05
$1,450,000 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds, Series 2018A	547,293	287,405	259,888	-	31,115	31,115	8.35

* Coverage is the ratio of Net Available Revenues to Debt Service Total

** Expenditures information is not available

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

c. General Obligation Bonds Supported by Revenue: (Continued)

$3,200,000 February 25, 2009 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds: serial bonds maturing in amounts ranging from $105,000 to $230,000 each January 1 in the years 2010 to 2028 with interest due each January 1 and July 1 at a rate of 2.00 to 4.20 percent. No redemption option is available. The original bonds were issued to fund acquiring, constructing, and equipping senior rental housing facilities in the City of Ramsey.	$ 1,935,000
$5,750,000 October 27, 2011 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds: serial bonds maturing in amounts ranging from $30,000 to $405,000 each February 1 in the years 2012 to 2036 with interest due each February 1 and August 1 at a rate of 2.00 to 3.70 percent. Bonds maturing February 1, 2021, and thereafter are subject to redemption on February 1, 2020, and on any date thereafter at a price of par. The original bond was issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Oak Grove.	4,915,000
$3,170,000 October 27, 2011 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds: serial bonds maturing in amounts ranging from $30,000 to $285,000 each February 1 in the years 2012 to 2034 with interest due each February 1 and August 1 at a rate of 2.00 to 3.70 percent. Bonds maturing February 1, 2021, and thereafter are subject to redemption on February 1, 2020, and on any date thereafter at a price of par. The original bonds were issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Centerville, and to finance the addition on the Centerville senior rental housing facility.	2,755,000
$5,230,000 December 27, 2012 Anoka County Housing and Redevelopment Authority Taxable General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $530,000 to $560,000 each February 1 in the years 2014 to 2023 with interest due each February 1 and August 1 at a rate of 0.50 to 2.60 percent. No redemption option is available. The original bond was issued to fund a portion of the cost of designing and constructing an ice arena and associated improvements.	2,685,000
$5,655,000 December 27, 2012 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $420,000 to $720,000 each February 1 in the years 2014 to 2026 with interest due each February 1 and August 1 at a rate of 1.00 to 2.00 percent. Bonds maturing February 1, 2022, and thereafter are subject to redemption on February 1, 2021, and on any date thereafter at a price of par. The original bond was issued to fund a portion of the cost of designing and constructing a four-sheet ice facility and associated improvements.	3,660,000
$1,450,000 January 30, 2018 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $170,000 to $200,000 each January 1 in the years 2019 to 2026 with interest due each January 1 and July 1 at a rate of 2.50 percent. Bonds maturing January 1, 2025, and thereafter are subject to redemption on January 1, 2024, and on any date thereafter at a price of par plus accrued interest. The original bond was issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Ham Lake.	1,450,000
Total General Obligation Bonds Supported by Revenue	17,400,000

d. Limited Tax Bonds:

$27,155,000 June 16, 2015 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $1,285,000 to $2,010,000 each February 1 in the years 2016 to 2032 with interest due each February 1 and August 1 at a rate of 2.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund the remainder of Anoka County and Sherburne County's Regional Rail Authorities and their correlating portion of the Northstar Commuter Rail and extension of the Hiawatha Light Rail Transit Line.	22,995,000
Total Bonds and Notes Payable	$ 132,655,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

7. Debt Service Requirements

Year Due	Lease Revenue Obligations	General Obligation Bonds and Notes	General Obligation Bonds Supported By Revenue	Limited Tax Bonds	Total Principal	Total Interest
2019	$ 406,811	$ 21,032,210	$ 2,003,251	$ 2,060,306	$ 21,250,000	$ 4,252,578
2020	408,334	12,951,148	2,002,086	2,054,581	13,695,000	3,721,149
2021	408,987	12,991,319	1,993,074	2,061,206	14,240,000	3,214,586
2022	408,832	9,852,134	2,001,095	2,060,269	11,575,000	2,747,330
2023	407,496	9,024,369	2,000,146	2,052,181	11,165,000	2,319,192
2024-2028	808,125	29,932,614	6,289,976	10,255,056	40,880,000	6,405,771
2029-2033	-	8,441,691	3,239,653	8,185,473	18,440,000	1,426,817
2034-2038	-	-	1,480,300	-	1,410,000	70,300
Total payments	2,848,585	104,225,485	21,009,581	28,729,072		
less interest	(493,585)	(14,320,485)	(3,609,581)	(5,734,072)		$ 24,157,723
Total principal due	$ 2,355,000	$ 89,905,000	$ 17,400,000	$ 22,995,000	$ 132,655,000	

The annual liquidation of these debt obligations are reported in the Debt Service Fund.

8. Long-Term Obligations – Other

Changes in long-term obligations, other than bonds, for the year ended December 31, 2018, are summarized as follows:

	Long-Term Obligations Governmental Activities		
	Capital Leases	Compensated Absences	Loans Payable
Payable, January 1, 2018	$ 2,719,891	$ 10,150,198	$ 1,608,912
Additions	-	13,772,637	363,365
Deletions	(687,479)	(13,729,567)	(303,063)
Payable, December 31	$ 2,032,412	$ 10,193,268	$ 1,669,214
Due within one year	$ 662,843	$ 509,663	$ 309,364

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

8. Long-Term Obligations – Other (Continued)

Capital Leases

The County currently has a capital lease-to-purchase agreement for 70 golf carts at Chomonix Golf Course, which ended at the end of 2018. The golf carts are less than the County's threshold for capitalization and therefore are not in the capital assets. The County financed a total of $112,183 at 2.75 percent interest. Annual liquidation of this capital lease liability is reported in the Parks and Recreation Special Revenue Fund.

The County currently has a capital lease-to-purchase agreement for unified communication equipment at locations throughout the County. The County financed a total of $3,536,845 at an effective interest rate of 0%, as a special financing promotion with the vendor. Annual liquidation of this capital lease liability is reported in the Capital Projects Fund.

The following is a schedule of future minimum lease payments with the present value of the net minimum lease payments:

Year Due	Communication Equipment
2019	$ 707,369
2020	707,369
2021	707,369
Total payments	2,122,107
Less interest	(89,695)
Present Value of Net Minimum Payments	$ 2,032,412

Compensated Absences

Actual payments of the compensated absences liability are made directly from the same governmental funds that incurred the salary expenditures.

Prior years compensated absences liabilities were paid from the General Fund and Special Revenue Funds.

Loans Payable

Loans payable are related to a zero-interest revolving loan available through the State of Minnesota Agricultural Best Management Practices Loan Program (AgBMP). Loan payments are made from the Community Development Special Revenue Fund.

The following is a schedule of future loan payments:

Year Due	AgBMP
2019	$ 309,364
2020	339,021
2021	274,449
2022	256,150
2023	168,641
2024-2028	314,590
2029	6,999
Total payments	$ 1,669,214

9. HRA Recovery Zone Economic Development Bonds

The Housing and Redevelopment Authority (HRA) has issued Recovery Zone Economic Development Bonds to facilitate the development of both healthcare and medical facilities. The bonds are secured by the financed property and are payable solely from the revenues of the healthcare facility or medical center.

The bonds do not constitute a charge, lien, or encumbrance, legal or equitable, upon any property or funds of the HRA, nor is the HRA subject to any liability thereon. Accordingly, the bonds are not reported as a liability in the accompanying financial statements.

The recovery zone bonds have an outstanding principal balance of $13,505,000 at December 31, 2018. There are two recovery zone bond issuances at December 31, 2018:

	Issue	Principal Balance
Fridley Medical Center Project	2010A	$ 10,720,000
Park River Estate Care Center	2010D	2,785,000
Total		$ 13,505,000

3. Detailed Notes on All Funds (Continued)

D. Fund Balances

The summary of fund balance classifications is as follows:

	General	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable for:					
Inventories	$ -	$ 2,537,509	$ -	$ -	$ 2,537,509
Prepaid items	83,517	584,750	-	-	668,267
Total Nonspendable	$ 83,517	$ 3,122,259	$ -	$ -	$ 3,205,776
Restricted for:					
911 capital expenditures	$ 1,909,613	$ -	$ -	$ -	$ 1,909,613
Conceal and Carry law	689,731	-	-	-	689,731
Narcotics program	5,000	-	-	-	5,000
Solid waste abatement (recycling)	750,000	-	-	-	750,000
Household Hazardous Waste program	750,000	-	-	-	750,000
SCORE program	1,500,000	-	-	-	1,500,000
Solid waste cleanup	552,585	-	-	-	552,585
Waste processing	5,684,009	-	-	-	5,684,009
Solid waste	1,053,416	-	-	-	1,053,416
Dedicated donations	44,608	48,257	-	-	92,865
Drug and narcotics enforcement	-	73,470	-	-	73,470
Economic development grants	-	847,457	-	-	847,457
Revolving loans	-	150,000	-	-	150,000
Edith P. Wargo estate	-	219,466	-	-	219,466
Ag Preservation programs	-	64,481	-	-	64,481
Law library	-	357,795	-	-	357,795
Joint Law Enforcement Council	-	202,379	-	-	202,379
Law enforcement	-	290,438	-	-	290,438
Amounts with escrow agents	-	3,279,032	2,623,946	-	5,902,978
Debt service	-	-	30,049,389	-	30,049,389
Household Hazardous Waste Facility	-	-	-	12,656,077	12,656,077
Debt proceeds restricted for capital projects	-	-	-	2,507,984	2,507,984
Transportation projects	-	-	-	12,742,709	12,742,709
Recorders compliance	-	-	-	4,781,667	4,781,667
Total Restricted	$ 12,938,962	$ 5,532,775	$ 32,673,335	$ 32,688,437	$ 83,833,509
Committed for:					
Library	$ -	$ 3,650,989	$ -	$ -	$ 3,650,989
Cooperative Extension programs	-	172,871	-	-	172,871
Total Committed	$ -	$ 3,823,860	$ -	$ -	$ 3,823,860
Assigned for:					
Self insurance liabilities	$ 3,500,000	$ -	$ -	$ -	$ 3,500,000
Secured juvenile facility	1,356,551	-	-	-	1,356,551
Drug and narcotics enforcement	149,695	-	-	-	149,695
Human service programs	-	37,353,135	-	-	37,353,135
Economic development	-	22,990,751	-	-	22,990,751
Parks	-	1,754,460	-	-	1,754,460
Bunker Beach Aquatic Center	-	675,447	-	-	675,447
Midwest Forensic Laboratory	252,815	-	-	-	252,815
Medical examiner operations and building	-	1,713,386	-	-	1,713,386
Oaks of Lake George operations	-	8,393	-	-	8,393
Allocated capital projects	-	-	-	987,484	987,484
One time capital projects	-	-	-	12,574	12,574
IT capital projects	-	-	-	6,768,652	6,768,652
Innovative capital projects	-	-	-	630,459	630,459
Blade server capital projects	-	-	-	317,529	317,529
County building capital projects	-	-	-	2,293,894	2,293,894
Library building capital projects	-	-	-	2,546,230	2,546,230
Asset preservation	-	-	-	16,194,669	16,194,669
Transportation projects	-	20,364,237	-	-	20,364,237
Total Assigned	$ 5,259,061	$ 84,859,809	$ -	$ 29,751,491	$ 119,870,361

3. Detailed Notes on All Funds (Continued)

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

a. Plan Description

All full-time and certain part-time employees of Anoka County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (the General Employees Plan), the Public Employees Police and Fire Plan (the Police and Fire Plan), and the Public Employees Local Government Correctional Service Retirement Plan (the Correctional Plan), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

The General Employees Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security and Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service. No Anoka County employees belong to either the Basic Plan or the Minneapolis Employees Retirement Fund.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on a prorated basis starting with 50 percent after five years and increasing 10 percent for each year of service until fully vested after 10 years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years and increasing 5.00 percent for each year of service until fully vested after 20 years.

Local government employees of a county-administered facility who are responsible for the direct security, custody, and control of the county correctional facility and its inmates are covered by the Correctional Plan (accounted for in the Correctional Fund). For members hired after June 30, 2010, benefits vest on a prorated basis starting with 50 percent after five years and increasing 10 percent for each year of service until fully vested after 10 years.

b. Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. General Employees Plan and Police and Fire Plan benefit recipients receive a future annual 1.00 percent for the post-retirement benefit increase, while Correctional Plan benefit recipients receive 2.50 percent. If the funding ratio reaches 90 percent for two consecutive years, the benefit increase will be 2.50 percent. If, after reverting to a 2.50 percent benefit increase, the funding ratio declines to less than 80 percent for one year or less than 85 percent for two consecutive years, the benefit increase will decrease to 1.00 percent.

The benefit provisions stated in the following paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any 60 consecutive months of allowable service, age, and years of credit at termination of service. In the General Employees Plan, two methods are used to compute benefits for Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.20 percent of average salary for each of the first 10 years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Police and Fire Plan members, the annuity accrual rate is 3.00 percent of average salary for each year of service. For Correctional Plan members, the annuity accrual rate is 1.90 percent of average salary for each year of service.

For General Employees Plan members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. For Police and Fire Plan and Correctional Plan members, normal retirement age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits are available for vested members and are based on years of service and average high-five salary.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

c. Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. General Employees Plan members were required to contribute 6.50 percent of their annual covered salary in 2018. Police and Fire Plan members were required to contribute 10.80 percent of their annual covered salary in 2018. Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in 2018.

In 2018, the County was required to contribute the following percentages of annual covered salary:

General Employees Plan - Coordinated Plan members	7.50%
Police and Fire Plan	16.20%
Correctional Plan	8.75%

The employee and employer contribution rates did not change from the previous year.

The County's contributions for the year ended December 31, 2018, to the pension plans were:

General Employees Plan	$	7,175,595
Police and Fire Plan		1,943,880
Correctional Plan		1,059,473

The contributions are equal to the contractually required contributions as set by state statute.

d. Pension Costs

General Employees Plan

At December 31, 2018, the County reported a liability of $78,306,945 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 1.41 percent. It was 1.47 percent measured as of June 30, 2017. The County recognized pension expense of $6,649,344 for its proportionate share of the General Employees Plan's pension expense.

The County also recognized $598,990 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's contribution to the General Employees Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute $16 million to the General Employees Plan for the fiscal years ended June 30, 2018 and 2019, and $6 million thereafter, through calendar year 2031.

Anoka County's proportionate share of the net pension liability	$	78,306,945
State of Minnesota's proportionate share of the net pension liability associated with the County		2,568,587
Total	$	80,875,532

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

General Employees Plan (Continued)

The County reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 2,154,784	$ 2,307,963
Changes in actuarial assumptions	7,559,183	9,048,456
Difference between projected and actual investment earnings	-	8,318,348
Changes in proportion	1,643,624	3,584,208
Contributions paid to PERA subsequent to the measurement date	3,577,068	-
Total	$ 14,934,659	$ 23,258,975

A total of $3,577,068 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2019	$ 1,861,484
2020	(4,614,111)
2021	(7,514,356)
2022	(1,634,401)

Police and Fire Plan

At December 31, 2018, the County reported a liability of $11,582,037 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 1.09 percent. It was 1.14 percent measured as of June 30, 2017. The County recognized pension expense of $1,218,270 for its proportionate share of the Police and Fire Plan's pension expense.

The County also recognized $97,794 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Police and Fire Plan. Legislation requires the State of Minnesota to contribute $9 million to the Police and Fire Plan each year, starting in fiscal year 2014, until the plan is 90 percent funded.

The County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 480,346	$ 2,856,063
Changes in actuarial assumptions	14,272,135	17,884,473
Difference between projected and actual investment earnings	-	2,600,973
Changes in proportion	1,744,688	918,837
Contributions paid to PERA subsequent to the measurement date	1,021,191	-
Total	$ 17,518,360	$ 24,260,346

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Police and Fire Plan (Continued)

A total of $1,021,191 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2019	$ (366,786)
2020	(926,548)
2021	(1,775,164)
2022	(4,534,081)
2023	(160,598)

Correctional Plan

At December 31, 2018, the County reported a liability of $956,886 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 5.82 percent. It was 6.07 percent measured as of June 30, 2017. The County recognized pension expense of $(1,134,494) for its proportionate share of the Correctional Plan's pension expense.

The County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 49,968	$ 106,711
Changes in actuarial assumptions	4,538,605	11,147,222
Difference between projected and actual investment earnings	-	1,133,251
Changes in proportion	401,845	546,382
Contributions paid to PERA subsequent to the measurement date	543,246	-
Total	$ 5,533,664	$ 12,933,566

A total of $543,246 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2019	$ 440,875
2020	(4,290,494)
2021	(3,893,200)
2022	(200,329)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2018, was $6,733,120.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

e. Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.50 percent per year
Active member payroll growth	3.25 percent per year
Investment rate of return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.25 percent for the General Employees Plan and 2.00 percent for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.00 percent as set by state statute.

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 30, 2015. The experience study for the Police and Fire Plan was dated August 30, 2016. The experience study for the Correctional Plan was dated February 2012. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The long-term expected rate of return on pension plan investments is 7.50 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	36%	5.10%
International stocks	17%	5.30%
Bonds (fixed income)	20%	0.75%
Alternative assets (private markets)	25%	5.90%
Cash	2%	0.00%

f. Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent in 2018, which remained consistent with 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Plan, the Police and Fire Plan, and the Correctional Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

g. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2018:

General Employees Plan

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.

Police and Fire Plan

- The mortality projection scale was changed from MP-2016 to MP-2017.
- Post-retirement benefit increases changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing $9.0 million state contribution. Additionally, annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed effective January 1, 2019 and January 1, 2020 from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Correctional Plan

- The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

h. Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.00 percentage point lower or 1.00 percentage point higher than the current discount rate:

	Proportionate Share of the:					
	General Employees Plan		Police and Fire Plan		Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability (Asset)
1% Decrease	6.50%	$ 127,258,811	6.50%	$ 24,832,613	6.50%	$ 8,189,300
Current	7.50%	78,306,945	7.50%	11,582,037	7.50%	956,886
1% Increase	8.50%	37,898,577	8.50%	624,360	8.50%	(4,828,824)

i. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

2. Defined Contribution Plan

Nine employees of Anoka County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. § 353D, which may be amended by the state legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.00 percent of salary, which is matched by the employer. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00 percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by the County during the year ended December 31, 2018, were:

	Employee	Employer
Contribution amount	$ 26,391	$ 26,391
Percentage of covered payroll	5%	5%

3. Central Pension Fund

The County also has employees who participate in the Central Pension Fund of the International Union of Operating Engineers, Local 49. The County is not responsible for any shortages in that pension and therefore no liability for it has been recorded accordingly.

F. Risk Management

The County is exposed to various losses resulting from tort related claims, theft, damage and destruction of assets, and injuries to employees. The County self-funds for general liability and workers' compensation. The County purchases commercial insurance to cover the risk exposures outside of our self-funded programs. There were no significant reductions in insurance from the prior year. Settled claims from these risks have not exceeded available commercial insurance coverage for the past three years.

Property Insurance: Real and personal property are insured under a blanket property insurance policy. The property insurance includes structure, contents, boiler and machinery, business interruptions, extra expense, electrical data processing equipment, electrical/portable equipment, machinery and media for losses, including earthquake and flood damage.

Automobile: All automobiles are insured by an insurance policy which covers automobile liability and physical damages to all owned, leased, and non-owned vehicles.

3. Detailed Notes on All Funds

F. Risk Management (Continued)

Workers' Compensation: In 2002, the County became self-insured for workers' compensation exposure and is currently contracted with SFM Risk Solutions to administer its workers' compensation claims. The means for establishing liabilities are based on the nature of the injury, occupational wage and duration of the injuries. Risk Management reports liabilities that have occurred by developing incurred loss for the year using factors established by the International Risk Management Institute and subtracts actual claims paid from the developed incurred loss amount. The difference for each of the years is added together to get the total required reserve amount. Changes in the balances of claim liabilities for the past two years are:

	2018	2017
Unpaid claims, January 1	$ 2,761,006	$ 2,759,617
Self-funded claims	805,969	176,079
Adjustments	800,188	143,988
Claim payments	(1,047,919)	(318,678)
Unpaid claims, December 31	$ 3,319,244	$ 2,761,006
Due within one year	$ 264,643	

Adjustments include differences between the estimated claim liability of unpaid claims at the beginning of the year and actual claim payments made. The entire claims liability is reported in the Pooled Insurance Internal Service Fund and will be liquidated by that fund.

Anoka County has elected lower self-insurance retention since becoming self-insured in 2002. The self-insurance retention limit for 2018 workers' compensation claims is $500,000 per occurrence for all claims occurring in 2018 and 2019. Once this limit is met, the Workers' Compensation Reinsurance Association (WCRA) becomes liable.

Liability: Anoka County has been self-insured for General Liability (including law enforcement, public officials and errors and omissions liability) since September 1, 1986. The County Attorney's Office and the Risk Management department administer all liability claims internally. Risk Management pays out all claims from the Pooled Insurance Internal Service Fund dedicated to liability claims. Risk Management allocated costs to each division based on modified exposure and experience rating plan. Anoka County fully utilizes Minn. Stat. § 466.04 maximum liability and thus does not purchase any excess insurance.

Minn. Stat. § 466.04 limits the tort exposure to:

	Per Person	Per Occurrence
All claims before 01/01/1998	$ 200,000	$ 600,000
Claims from 01/01/1998 to 12/31/1999	300,000	750,000
Claims from 01/01/2000 to 12/31/2007	300,000	1,000,000
Claims from 01/01/2008 to 07/01/2009	400,000	1,200,000
Claims on or after 07/01/2009	500,000	1,500,000

Health and Dental: The County fully insures medical insurance through Blue Cross Blue Shield. The County fully insures dental insurance through HealthPartners.

G. Joint Ventures

Anoka County, in conjunction with other governmental entities, has formed the joint ventures listed below:

1. Metropolitan Emergency Services Board. The Metropolitan Emergency Services Board was established by a joint powers agreement pursuant to Minn. Stat. sec. 471.59 between the Counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the City of Minneapolis, for the implementation and administration of a regional 911 system. Chisago County entered this agreement effective October 1, 2006. Isanti County later joined the joint powers agreement effective January 1, 2010.

   Anoka County paid annual dues of $139,388 in 2018. Except for annual dues the County has no other financial obligations. Current financial statements of the Metropolitan Emergency Services Board are available at the 911 Board Office, 2099 University Avenue, West Saint Paul, Minnesota 55104-3431.

2. Metropolitan Library Service Agency (MELSA). Anoka County entered into a joint powers agreement with Carver County, Dakota County, Hennepin County, Ramsey County, Scott County, Washington County and the City of St. Paul pursuant to Minn. Stat. § 471.59 and 134.20. One member of each entity comprises the Board of Directors of MELSA.

   MELSA was created for the general purposes of improving public library services and coordinating public library services. Financing is provided by gifts, grants and programs of the federal government, the State of Minnesota, and other governmental and private sources. The MELSA agency handles the accounting function of the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, St. Paul, Minnesota 55104-6276.

G. Joint Ventures (Continued)

3. Northstar Corridor Development Authority (NCDA). Anoka County entered into a joint powers agreement with 32 counties, regional rail authorities, cities and townships along the Northstar Corridor to create the Northstar Corridor Development Authority, in May 1997. Six participants have since withdrawn from the NCDA, leaving 26 members in the joint powers agreement. The joint powers board consists of one elected official each from the member governmental units. The NCDA was created to develop the Northstar commuter rail project from St. Cloud, Minnesota to Minneapolis, Minnesota. Grant monies, member county contributions and the regional railroad authorities' agreement to allocate the initial contributions of capital has provided funding for the NCDA. Members pay annual dues to NCDA. Beginning in 2017 Anoka County has contributed a standard amount of $6,000 annually which will continue until 2021.

   The NCDA Board has the authority to make all administrative decisions regarding the Northstar Commuter Rail. The NCDA does not have the authority to levy taxes nor issue bonds. The NCDA does have the authority to enter into contracts, acquire, hold and dispose of real and personal property. Upon termination of the joint powers agreement, NCDA has the authority to dispose of any property. The joint powers agreement does not authorize the NCDA to operate or finance the operations of the Northstar commuter rail.

   As of December 1, 2016, the NCDA was dissolved pending final payouts to occur in 2018. Sherburne County, in an agency capacity, reports the cash transactions of the NCDA in an agency fund on its financial statements. Current financial statements are available from the NCDA office, 13880 Business Center Dr. NW, Elk River, Minnesota 55330.

4. Metropolitan Airports Commission (MAC). In August 2005, Anoka County entered into a joint powers agreement with the Metropolitan Airports Commission (MAC) relating to improvements at the Anoka County/Blaine airport (Jane's Field) Northwest Building Area. The joint powers board is named "Anoka County/Blaine Airport (Jane's Field) Northwest Building Area Joint Powers Board", pursuant to § 360.042 of the Act.

   The governing body of the Board has two members, one each from Anoka County and MAC. MAC owns and operates the airport, and the agreement sets forth rights, proportionate interests, duties and payment obligations.

   During 2005, the County issued $15.715 million in general obligation airport improvement bonds for the project and the County's share of those bonds is 100%. The bonds are reflected in the long-term debt of Anoka County and reported in the County's financial statement. The County's share with respect to capital improvement expenditures is equal to the principal amount of the bonds. Those expenditures are reported in Anoka County's Capital Projects Fund. The County will levy property taxes to repay the bonds. MAC's share of the bonds is 0%, and their share of the capital improvement expenditures is equal to the amount of federal funds that MAC receives, plus any unreimbursed costs incurred by MAC. The federal funds will be used by MAC for capital improvements and will not be transferred to the County, nor pledged for payment of the bonds. MAC is not obligated to contribute funds or property from the operation of the airport for payment of the bonds.

   In consideration of the County for issuing bonds, MAC has agreed to allow the County the right to sublease the Northwest Building Area and the County will use lease revenues to offset the cost of County issued general obligation bonds for capital improvements at the airport.

5. Counties Transit Improvement Board (CTIB). CTIB was created on April 1, 2008, as required by Minn. Statute § 297A.992, by joint powers agreement between the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington. Its purpose is to receive and distribute a ¼ cent transit sales tax for the development, construction and operation of transit ways serving the five-county area. Hennepin County is the fiscal agent. Financial statements are available from Hennepin County, Department of Finance, 300 South Sixth Street, A-2301 Government Center, Minneapolis, Minnesota 55487.

   CTIB was dissolved as of September 30, 2017. All funds will be dispersed by CTIB. Final cash payout is to occur in 2019.

6. Anoka-Hennepin Narcotics and Violent Crimes Task Force. The Anoka-Hennepin Narcotics and Violent Crimes Task Force was established in 1996 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes the cities of Anoka, Blaine, Champlin, Columbia Heights, Coon Rapids, Fridley, Maple Grove, Ramsey and Rogers along with Anoka County. The primary responsibility of the task force is to detect, investigate, gather evidence, and apprehend drug traffickers, as well as assist in violent crimes and gang related investigation within the geographic boundaries of the entities that comprise the task force.

   Control of the Task Force is vested in a Board of Directors, which consists of the Chief of Police or Sheriff, or his or her designee, from each party to the agreement.

   Fiscal agent responsibilities for the Task Force are with Anoka County. Anoka County provided $15,375 to this organization in 2018. Funding will be provided in the form of a matching grant from the federal government. The parties shall contribute at least 25% of the total budget established for the current year. Separate financial statements for the Anoka-Hennepin Narcotics and Violent Crimes Task Force are not available.

7. Agricultural Best Management Practices Loan Program. The County has entered into an agreement with the Minnesota Department of Agriculture and a local lending institution to jointly administer a loan program to individuals to implement projects that prevent or mitigate nonpoint sources water pollution. While the County is not liable for the repayment of the loans in any manner, it does have certain responsibilities under the agreement. The County has met those responsibilities for 2018.

3. Detailed Notes on All Funds

G. Joint Ventures (Continued)

8. Joint Law Enforcement Council (JLEC). Anoka County Joint Law Enforcement Council was formed in 1970 and modified in 1982 and 2001 to add several cities and representatives. In 2003 a joint powers agreement was entered into by Anoka County, the Cities of Anoka, Blaine, Circle Pines, Columbia Heights, Coon Rapids, Fridley, Lexington, Lino Lakes, Ramsey, and Spring Lake Park, and the Circle Pines-Lexington-Centerville Joint Municipal Police Commission. This agreement superseded the previous agreements and created the JLEC by the power granted by Minn. Stat. § 471.59. Its purpose is to improve the efficiency and effectiveness of law enforcement and to improve public safety in Anoka County. The main goal of the Council is for the public safety communication system to operate as effectively as possible. Common equipment purchased through Anoka County is important to that goal.

An Addendum to JLEC occurred in December of 2013 to add the Cities of Centerville and St. Francis as parties to the agreement.

A Memo of Understanding (MOU) was made in September of 2015 and entered into by and between JLEC and the County of Anoka. The purpose of the MOU was to formalize an understanding between parties concerning the rights and responsibilities for delivery of support services concerning the location, accessibility, maintenance and operations of the Public Safety Data System (PSDS) at the Anoka County Government Center Complex. The County will provide a physical space and ensure that the space conforms to the needs of the PSDS. The JLEC will be solely responsible and pay directly for the services and all costs associated with development, installation, modification, and maintenance of the PSDS.

A Memo of Understanding was begun on June 1, 2016 between JLEC and the County of Anoka Information Technology Department to collaboratively ensure that the Public Safety Data System (PSDS) is successful in the mission of providing services to all citizens of Anoka County. Anoka County owns fiber connecting the Anoka County Government Center and the Anoka County Sheriff's Office and is able to extend connectivity through this fiber for the purpose of PSDS. JLEC will pay for fiber installations, splicing, and upfront costs and proportionate shares of ongoing maintenance costs.

9. Midwest Regional Forensic Laboratory. In August of 2012, a joint agreement was entered into by the Counties of Anoka, Sherburne, and Wright. The purpose of the agreement is to continue to jointly address the Member Counties' long-term needs for a regional forensics crime laboratory. Anoka used grant monies from the Dept. of Public Safety to contribute to the costs to design, construct, furnish and equip the facility. Anoka shall provide all labor, equipment, tools and supplies necessary to operate the facility and will be reimbursed from operating costs contributed by each Member County. Each Member County shall pay its percentage share of the total annual budget in direct proportion to that Member County's population percentage of the total population of all Member Counties based on the 2010 Census.

10. East Central Regional Juvenile Center. Effective January 1, 2012 a joint powers agreement was entered into by Anoka County, Chisago County, Isanti County, Kanabec County, Mille Lacs County, Pine County, Sherburne County, Washington County and Wright County. The purpose of the agreements was to jointly address the Member Counties long-term needs for juvenile detention and treatment facility capacity.

The Minnesota Commissioner of Corrections was authorized to make grants for up to 75% of the construction cost of secure juvenile detention and treatment facilities in accordance with 1994 Minnesota Laws 643, § 79. Anoka County was authorized to issue general obligation bonds in an amount not to exceed $3,500,000 to finance costs of the facility in accordance with 1994 Minnesota Laws 643, § 79 which were defeased in February 2017.

The Facility is owned by Anoka County at the site of the Anoka County Juvenile Center in Lino Lakes, Minnesota and is responsible for the maintenance and repair of the facility as well as labor, equipment, tools and materials necessary to operate the facility. Member Counties shall pay per diem payments based on the occupancy rate.

4. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

Anoka County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The County Attorney estimates that the potential claims against the County not covered by insurance resulting from such litigation would not materially affect the financial position of the County.

Based on the information that Anoka County presently has, the County's total exposure for these cases would not exceed the statutory limit, with the evaluation of an unfavorable outcome varying with each case. Accordingly, in the remote case of an unfavorable outcome, the provision for loss in the financial statements for resolution of these matters may require an adjustment to the financial statements.

B. Related Organization

The Coon Creek Watershed District is governed by a Watershed District Board appointed by the Anoka County Board of Commissioners from a given list of nominees. A watershed district is comprised of a geographic area, which is affected by the watershed from a particular source. The Watershed District Board in each district is responsible for initiating and overseeing certain actions such as ditching, ditch maintenance, engineering, and ditch repair. The costs of these actions, plus the associated administrative costs, must be borne by the "benefited" property owners within each district, through a special assessment against the benefited property. There is no corresponding financial accountability necessary for including this organization as a component unit of Anoka County. Financial statements are available upon request at the Coon Creek Watershed District Office, 12301 Central Avenue Northeast, Suite 100, Blaine, Minnesota 55434.

C. Tax Abatements - Pay-As-You-Go Tax Increment

The County is subject to tax abatements granted by Cities within the County pursuant to Minnesota § 469.174 to § 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within a City. TIF captures the increase in tax capacity and property taxes (of all taxing jurisdictions, including the County) from development or redevelopment to provide funding for the related project.

The pay-as-you-go note provides for payment to the developer of a percentage of all tax increment received in the prior six months. The payment reimburses the developer for certain public improvements. During 2018, there were 17 pay-as-you-go notes within the County. The tax increment collections during 2018 associated with these notes totaled $3,928,499. The County's portion of the captured tax capacity and related property taxes was approximately 30%.

TIF agreements of other local governments have resulted in reductions of the County property tax revenues for the year ended December 31, 2018, as shown below:

Tax Abatement Program	Number of Pay-As-You-Go TIF	Taxes Abated	Impact to Anoka County
Tax Increment Financing (TIF)			
City of:			
Andover	1	$ 70,032	$ 21,010
Blaine	3	388,944	116,683
Columbia Heights	3	511,211	153,363
Coon Rapids	2	178,146	53,444
Fridley	3	1,660,606	498,182
Lino Lakes	1	139,338	41,801
Ramsey	4	980,222	294,067
Total	17	$ 3,928,499	$ 1,178,550

D. Subsequent Event

On April 9, 2019, the County Board issued a $1,550,000 conduit note that will be covered by the revenues of Sunwood Townhomes. The Note is a conduit or Private Activity Note, that has no pledge of taxes and therefore does not obligate Anoka County.

REQUIRED SUPPLEMENTARY INFORMATION

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 63,847,013	$ 63,847,013	$ 64,257,848	$ 410,835
Licenses and permits	209,865	342,765	342,590	(175)
Intergovernmental	21,238,683	22,237,379	24,179,800	1,942,421
Charges for services	28,113,653	27,935,343	27,473,745	(461,598)
Fines and forfeitures	4,000	4,000	11,658	7,658
Investment income	1,700,000	1,700,000	5,235,931	3,535,931
Net change in fair value of investments	-	(760,916)	(760,916)	-
Miscellaneous	2,568,967	3,545,612	3,846,268	300,656
Total Revenues	**117,682,181**	**118,851,196**	**124,586,924**	**5,735,728**
Expenditures				
Current				
General government				
Management appropriations	932,367	932,367	921,437	10,930
Information technology	5,148,183	4,739,180	4,563,501	175,679
Government relations	169,232	169,232	164,910	4,322
Countywide services	(1,972,017)	(1,361,385)	1,219,587	(2,580,972)
County administration	919,045	890,045	818,999	71,046
Employee relations	1,704,933	1,612,236	1,582,146	30,090
Property tax administration and collection	6,780,867	6,583,116	6,427,699	155,417
License bureau	3,574,900	3,539,864	3,246,284	293,580
Internal audit	164,501	164,501	164,637	(136)
Election services	797,744	1,035,570	1,328,926	(293,356)
Attorney	9,683,364	9,748,015	9,125,805	622,210
Surveyor	1,156,182	1,074,681	712,754	361,927
Facilities management and construction	1,372,827	1,662,708	1,987,559	(324,851)
Veterans services	578,063	593,102	566,918	26,184
Geographic information system	343,580	343,580	290,503	53,077
Transit and volunteer transportation	3,011,461	2,989,693	2,686,622	303,071
Accounting and central services	4,309,626	4,255,088	3,718,375	536,713
Courts administration	1,448,093	1,448,093	1,658,610	(210,517)
Public information	561,951	524,944	486,713	38,231
Miscellaneous	244,027	244,027	619,710	(375,683)
Total general government	**40,928,929**	**41,188,657**	**42,291,695**	**(1,103,038)**
Public safety				
Sheriff	35,787,986	36,453,999	36,403,933	50,066
Central communications	5,544,850	4,889,692	5,065,753	(176,061)
Emergency management	310,737	535,329	535,718	(389)
Corrections	25,271,245	25,242,228	24,338,508	903,720
Total public safety	**$ 66,914,818**	**$ 67,121,248**	**$ 66,343,912**	**$ 777,336**

(Continued)

The notes to the required supplementary information are an integral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Expenditures				
Current (continued)				
Human services				
Community action program	$ 418,567	$ 418,567	$ 416,692	$ 1,875
Sanitation				
Solid waste	5,530,507	5,477,601	4,141,402	1,336,199
Culture and recreation				
Historical society/Fairgrounds	167,623	70,123	152,623	(82,500)
Conservation of natural resources				
Soil and water conservation district	169,492	169,492	166,992	2,500
Total Expenditures	114,129,936	114,445,688	113,513,316	932,372
Excess of Revenues Over (Under) Expenditures	3,552,245	4,405,508	11,073,608	6,668,100
Other Financing Sources (Uses)				
Transfers in	1,242,745	1,242,745	321,497	(921,248)
Transfers out	(3,225,738)	(4,830,381)	(7,219,487)	(2,389,106)
Total Other Financing Sources (Uses)	(1,982,993)	(3,587,636)	(6,897,990)	(3,310,354)
Net Change in Fund Balance	1,569,252	817,872	4,175,618	3,357,746
Fund Balance - January 1	50,770,769	50,770,769	50,770,769	-
Fund Balance - December 31	$ 52,340,021	$ 51,588,641	$ 54,946,387	$ 3,357,746

The notes to the required supplementary information are an integral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROAD AND BRIDGE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 7,775,635	$ 7,775,635	$ 7,758,192	$ (17,443)
Licenses and permits	51,000	51,000	99,996	48,996
Intergovernmental	45,080,297	45,080,297	41,147,802	(3,932,495)
Investment income	30,000	30,000	62,678	32,678
Miscellaneous	192,000	192,000	253,809	61,809
Total Revenues	53,128,932	53,128,932	49,322,477	(3,806,455)
Expenditures				
Current				
Highways and streets				
Administration	1,290,711	1,290,711	1,262,216	28,495
Maintenance	10,938,741	11,007,745	8,703,949	2,303,796
Construction	37,601,367	37,583,571	24,250,955	13,332,616
Equipment maintenance and shop	3,309,360	3,309,360	2,632,982	676,378
Intergovernmental				
Highways and streets	31,917	31,917	218,186	(186,269)
Total Expenditures	53,172,096	53,223,304	37,068,288	16,155,016
Excess of Revenues Over (Under) Expenditures	(43,164)	(94,372)	12,254,189	12,348,561
Other Financing Sources (Uses)				
Transfers in	-	-	7,327,950	7,327,950
Transfers out	74,827	74,827	(71,500)	(146,327)
Proceeds from land sales	-	-	3,500	3,500
Total Other Financing Sources (Uses)	74,827	74,827	7,259,950	7,185,123
Net Change in Fund Balance	31,663	(19,545)	19,514,139	19,533,684
Fund Balance - January 1	6,024,713	6,024,713	6,024,713	-
Increase (decrease) in inventories	-	-	(37,924)	(37,924)
Fund Balance - December 31	$ 6,056,376	$ 6,005,168	$ 25,500,928	$ 19,495,760

The notes to the required supplementary information are an integral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HUMAN SERVICES
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 34,628,563	$ 34,628,563	$ 34,510,902	$ (117,661)
Licenses and permits	1,049,504	1,049,504	1,052,395	2,891
Intergovernmental	53,839,568	53,839,568	53,979,620	140,052
Charges for services	2,992,515	2,992,515	2,981,352	(11,163)
Miscellaneous	290,955	290,955	464,525	173,570
Total Revenues	92,801,105	92,801,105	92,988,794	187,689
Expenditures				
Current				
Human services				
Economic assistance	31,703,542	31,416,946	28,968,008	2,448,938
Social services	52,641,005	53,126,285	50,680,812	2,445,473
Mental health	25,363	25,363	20,138	5,225
Community health	8,431,196	8,314,069	7,956,127	357,942
Total Expenditures	92,801,106	92,882,663	87,625,085	5,257,578
Excess of Revenues Over (Under) Expenditures	(1)	(81,558)	5,363,709	5,445,267
Other Financing Sources (Uses)				
Transfers in	-	-	46,030	46,030
Transfers out	-	-	(4,101,134)	(4,101,134)
Total Other Financing Sources (Uses)	-	-	(4,055,104)	(4,055,104)
Net Change in Fund Balance	(1)	(81,558)	1,308,605	1,390,163
Fund Balance - January 1	36,102,197	36,102,197	36,102,197	-
Fund Balance - December 31	$ 36,102,196	$ 36,020,639	$ 37,410,802	$ 1,390,163

The notes to the required supplementary information are an integral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
DECEMBER 31, 2018

	2017	2018
Total OPEB Liability		
Service cost	$ 1,636,484	$ 1,888,706
Interest	5,326,822	5,574,498
Differences between expected and actual experience	-	(2,635,326)
Changes of assumptions	-	4,526,842
Benefit payments	(3,619,603)	(3,734,995)
Net change in total OPEB liability	3,343,703	5,619,725
Total OPEB Liability - Beginning	76,270,769	79,614,472
Total OPEB Liability - Ending (a)	79,614,472	85,234,197
Plan fiduciary net position		
Contributions - Employer	1,976,056	2,091,448
Net investment income (loss)	11,914,287	(2,758,513)
Benefit payments	(3,619,603)	(3,734,995)
Administrative expense	(3,937)	(4,342)
Net change in plan fiduciary net position	10,266,803	(4,406,402)
Plan fiduciary net position - beginning	54,474,702	64,741,505
Plan fiduciary net position - ending (b)	64,741,505	60,335,103
Net OPEB Liability (asset) -- ending (a) - (b)	$ 14,872,967	$ 24,899,094
Total OPEB Liability -- ending Sheriff's Licensed Deputies bargaining unit only	$ 546,534	$ 1,252,168

	2017	2018
Plan fiduciary net position as percentage of the total OPEB liability	81.30%	70.80%
Covered-employee payroll	$ 106,400,000	$ 110,100,000
Net OPEB liability (asset) as a percentage of covered-employee payroll	14.0%	22.6%

Anoka County implemented GASB Statements No. 74 and No. 75 in FYE December 31, 2017. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The notes to the required supplementary information are an intergral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF CONTRIBUTIONS
DECEMBER 31, 2018

	2017	2018
Actuarially determined contribution	$ 3,479,801	$ 4,027,444
Contributions in relation to the actuarially determined contribution	3,619,603	3,734,995
Contribution deficiency (excess)	**$ (139,802)**	**$ 292,449**
Covered-employee Payroll	$ 106,400,000	$ 110,100,000
Contributions as a percentage of covered-employee payroll	3.4%	3.4%

Anoka County implemented GASB Statements No. 74 and No. 75 in FYE December 31, 2017. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The notes to the required supplementary information are an intergral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2018

	2017	2018
Annual money-weighted rate of return, net of investment expenses	22.21%	-4.32%

Anoka County implemented GASB Statements No. 74 and No. 75 in FYE December 31, 2017. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The notes to the required supplementary information are an integral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Anoka County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.470%	$ 76,199,920	$ N/A	$ 76,199,920	$ 84,985,260	89.66%	78.19%
2016	1.426%	115,819,626	1,512,652	117,332,278	88,515,871	130.85%	68.91%
2017	1.470%	93,850,500	1,180,068	95,030,568	94,704,592	99.10%	75.90%
2018	1.412%	78,306,945	2,568,587	80,875,532	94,878,157	82.53%	79.50%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.

SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	$ 6,781,097	$ 6,781,097	$ -	$ 90,414,628	7.50%
2016	6,772,116	6,772,116	-	90,294,885	7.50%
2017	6,975,975	6,975,975	-	93,012,995	7.50%
2018	7,175,595	7,175,595	-	95,674,605	7.50%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

The notes to the required supplementary information are an integral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2018

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.131%	$ 12,850,807	$ 10,074,629	127.56%	86.61%
2016	1.077%	43,221,884	10,373,698	416.65%	63.88%
2017	1.141%	15,404,858	11,710,914	131.54%	85.43%
2018	1.087%	11,582,037	11,357,344	101.98%	88.80%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.

SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2018

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	$ 1,758,815	$ 1,758,815	$ -	$ 10,856,880	16.20%
2016	1,739,500	1,739,500	-	10,737,751	16.20%
2017	1,851,342	1,851,342	-	11,428,138	16.20%
2018	1,928,534	1,943,880	15,346 *	11,904,636	16.33%

*An additional contribution was made for an employees military buyback in 2018.
This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

The notes to the required supplementary information are an integral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2018

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	6.050%	$ 935,330	$ 10,872,741	8.60%	96.95%
2016	5.850%	21,370,869	11,034,708	193.67%	58.16%
2017	6.070%	17,299,561	12,092,301	143.06%	67.89%
2018	5.818%	956,886	11,878,626	8.06%	97.60%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.

SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2018

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	$ 1,010,710	$ 1,010,710	$ -	$ 11,550,976	8.75%
2016	982,247	982,247	-	11,226,018	8.75%
2017	1,039,660	1,039,660	-	11,883,441	8.75%
2018	1,059,473	1,059,473	-	12,097,295	8.75%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

The notes to the required supplementary information are an integral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2018

1. Budgetary Information

General Budget Policies: The County Board adopts calendar-year budgets for the General and Special Revenue Funds by the final County Board meeting in December of the previous year. The Community Development Fund and the Job Training Center Fund, for which expenditures are 100 percent reimbursed from the State or Federal government, are not budgeted. For these exceptions, program changes and the resulting expenditures cannot be determined on an annual basis. Similarly, a budget is not adopted for the Forfeiture Funds Special Revenue Fund because it accounts for the proceeds from forfeited property, which cannot be determined on an annual basis.

Each appropriation lapses at the close of the fiscal year to the extent it has not been expended. The County maintains a budgetary control system that compares actual revenues and expenditures to budgeted amounts by division/department. Appropriations are monitored at the major account code level within each division/department. Minnesota County Financial Accounting and Reporting Standards require the County to report the revenues and expenditures by function, without regard to the budgeted division/department adopted by the County Board. One division/department may have budget and actual expenditures in various functions and on various lines of the financial statement. County Board authorization is required for budget adjustments or transfers, which increase the division/department's adopted net (appropriations less non-tax revenues) budget.

Budget Basis of Accounting: Budgets are adopted on a basis consistent with generally accepted accounting principles.

2. Excess of Expenditures Over Budget

The following departments/divisions have expenditures in excess of budget for the year ended December 31, 2018:

	Expenditures		
	Final Budget	Actual	Excess
Major Governmental Funds			
General Fund			
Current			
General Government			
Countywide services	$ (1,361,385)	$ 1,219,587	$ 2,580,972
Internal audit	164,501	164,637	136
Election services	1,035,570	1,328,926	293,356
Facilities management and construction	1,662,708	1,987,559	324,851
Courts administration	1,448,093	1,658,610	210,517
Miscellaneous	244,027	619,710	375,683
Public Safety			
Central communications	4,889,692	5,065,753	176,061
Emergency management	535,329	535,718	389
Culture and Recreation			
Historical society/Fairground	70,123	152,623	82,500
Road and Bridge Fund			
Intergovernmental			
Highways and Streets	31,917	218,186	186,269

3. Other Postemployment Benefits Funding Status

In 2017, Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* In 2009, the County established an irrevocable trust, pursuant to MN statutes, Ch. 471.6175 to prefund a portion of the liability of the plan. The County issued bonds in September 2009, for the purpose of partially funding its OPEB liability. These funds are reported in the Other Postemployment Benefits Trust Fund and are included in the actuarial valuation. See Note 3.C.4. in the notes to the financial statements for additional information regarding the County's other postemployment benefits.

4. Employer Contributions to Other Postemployment Benefits

The following changes in actuarial assumptions occurred at the end of 2018:

Discount rate	Decreased from 7.00% to 6.00%
Healthcare cost trend rates Pre-65	8.5% for 2018, decreasing 0.5% per year
Healthcare cost trend rates Post-65	6.0% for 2018, decreasing 0.25% per year to an ultimate rate of 5.0% for 2022 and later years
Retirement age	In the 2018 actuarial valuation, expected retirement ages were based on County experience and drawn from the PERA July 1, 2017 Actuarial Valuations
Mortality rate tables	Changed from RP-2000 to RP-2014 Employee Mortality Table with a projection scale MP-2015 or MP-2016, depending on the PERA plan

5. Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30, 2018:

General Employees Retirement Plan

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.

2017

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0 percent for active member liability, 15 percent for vested deferred member liability, and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to $21,000,000 in PERA's calendar years 2017 and 2018 and returns to $31,000,000 through calendar year 2031. The state's required contribution is $16,000,000 in PERA's fiscal years 2018 and 2019 and returns to $6,000,000 annually through calendar year 2031.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

ANOKA COUNTY
ANOKA, MINNESOTA

5. Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions (Continued)

Public Employees Police and Fire Plan

2018

- The mortality projection scale was changed from MP-2016 to MP-2017.
- Post-retirement benefit increases changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing $9.0 million state contribution. Additionally, annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed effective January 1, 2019 and January 1, 2020 from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Acturial equivalent factors were updated to reflect revised mortality and interest assumptions

2017

- The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- The assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 33 percent for invested members and 2.0 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality table assumed for healthy retirees.
- The assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of married female members was decreased from 65 percent to 60 percent.
- The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064, and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

5. Defined Benefits Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions (Continued)

Public Employees Correctional Plan

2018

- The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

2017

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the TP-2014 disabled annuitant mortality table (with future mortality improvement according to Scale MP-2016).
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 35 percent for vested members and 1.0 percent for non-vested members.
- The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

2016

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.31 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Anoka County, Minnesota
$10,690,000*
General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A

For the Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of $_________________ (which may not be less than $10,690,000 (Par)) plus accrued interest, if any, to the date of delivery.

Year	Interest Rate (%)	Yield (%)	Dollar Price	Year	Interest Rate (%)	Yield (%)	Dollar Price
2021	_______%	_______%	_______%	2025	_______%	_______%	_______%
2022	_______%	_______%	_______%	2026	_______%	_______%	_______%
2023	_______%	_______%	_______%	2027	_______%	_______%	_______%
2024	_______%	_______%	_______%				

Designation of Term Maturities

Years of Term Maturities ______________ ______________
______________ ______________

In making this offer on the sale date of December 5, 2019 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated November 15, 2019 including the County's right to modify the principal amount of the Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $______________________________

TRUE INTEREST RATE: _______________ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from __________________.

Account Members

____
Account Manager

By: _____________________________

Phone: __________________________

The foregoing proposal has been accepted by the County.

Attest: _________________________________ Date: _________________________________

* *Preliminary; subject to change.*

Phone: 651-223-3000
Fax: 651-223-3046
Email: bond_services@bakertilly.com